

**SCRep. 1 Consumer Protection & Commerce on H.B. No. 107**

The purpose of this bill is to increase the ability of taxpayers to manage their finances, by requiring the Department of Taxation (DOTAX) to allow individual taxpayers to arrange for their state tax refunds to be directly deposited into more than one financial account.

The Hawaii Alliance for Community-Based Economic Development, 3Point, and a concerned individual testified in support of this bill. DOTAX opposed this measure.

Your Committee finds that allowing taxpayers to split their state tax refund for deposit into more than one account facilitates their management and development of financial assets.

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

Signed by all members of the Committee except Representative Ito.

**SCRep. 2 Consumer Protection & Commerce on H.B. No. 373**

The purpose of this bill is to address the problem of scrap metal theft. Specifically, this bill:

- (1) Requires scrap dealers to collect additional information from scrap sellers concerning the source of the scrap and the seller's identity; and
- (2) Provides increasing mandatory fines and license revocations for violations of the scrap dealer law, depending on the number of offenses by the violator.

The Honolulu Police Department and a concerned individual testified in support of this bill. The Department of the Attorney General (AG) and the Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure.

The AG has noted that H.B. No. 1246, "Relating to Metal", is similar in purpose to this bill but deals only with copper thefts. Your Committee respectfully requests the Committee on Judiciary to consider H.B. No. 1246 in conjunction with its review 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 H.B. No. 373 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ito.

**SCRep. 3 Consumer Protection & Commerce on H.B. No. 430**

The purpose of this bill is to protect consumers of the check cashing industry. Specifically, this bill, among other things:

- (1) Requires check cashers to be licensed;
- (2) Establishes requirements for check casher payment plans and business records and reports;
- (3) Specifies check casher disclosure requirements, including fees and annual percentage rates; and
- (4) Appropriates funds for a Financial Literacy Education Program for consumers.

The Department of Commerce and Consumer Affairs (DCCA) supported the intent of this measure. The Department of Taxation and a concerned individual submitted comments.

Your Committee requested that this bill be re-referred to allow the Committee on Judiciary to review the implications of this measure within that Committee's scope.

Your Committee respectfully requests the Committee on Judiciary to review:

- (1) The State Auditor's December 2005 Sunrise Analysis, entitled "Check Cashing and Deferred Deposit Agreements (Payday Loans)", as to the regulation of check cashers; and
- (2) The advisability of the provision of this bill appropriating funds to DCCA for the establishment of a Financial Literacy Education Program.

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. 430 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ito.

**SCRep. 4 Consumer Protection & Commerce on H.B. No. 483**

The purpose of this bill is to limit abuses in the check cashing industry. Specifically, this bill, among other things:

- (1) Requires check cashers to be licensed by the Department of Commerce and Consumer Affairs (DCCA);
- (2) Establishes requirements for check casher payment plans and business records and reports; and
- (3) Specifies check casher disclosure requirements, including fees and annual percentage rates.

The Hawaii Alliance for Community-Based Economic Development, Financial Service Providers of Hawaii, and the Legal Aid Society of Hawaii testified in support of this bill. DCCA supported the intent of this measure. The Department of Taxation submitted comments.

Your Committee requested that this bill be re-referred to allow the Committee on Finance to review the fiscal implications 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 H.B. No. 483 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ito.

**SCRep. 5 Public Safety & Military Affairs on H.B. No. 195**

The purpose of this bill is to ensure public safety by appropriating \$60,000 to support the Hawaii Civil Air Patrol in its performance of vital local and national services such as disaster relief, search and rescue, homeland security, and medical emergency transport.

The Department of Defense and Hawaii Wing Civil Air Patrol supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 195, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Takamine, Takumi and Pine.

**SCRep. 6 Public Safety & Military Affairs on H.B. No. 301**

The purpose of this bill is to ensure continuous and uninterrupted service by the Hawaii Civil Air Patrol (Patrol) by appropriating capital improvement project funds for repairs to the roof of the Hawaii Wing Headquarters building, located at Honolulu International Airport, which houses facilities important for providing repair and maintenance services to the Patrol's aircraft and equipment.

The Department of Defense and Hawaii Wing of the Civil Air Patrol supported this bill. The Department of Transportation submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation to \$1 for each cost element; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 301, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Takamine, Takumi and Pine.

**SCRep. 7 Labor & Public Employment on H.B. No. 34**

The purpose of this bill is to voice Hawaii's opposition to the humanitarian crisis presently occurring in the Darfur Region of Sudan by prohibiting the Employees' Retirement System (ERS) from investing in securities of companies that have active business operations with Sudan.

The Sudan Divestment Task Force, Hawaii Coalition for Darfur, Roman Catholic Church, Hawaii Family Forum, Hawaii Committee for Africa, American Friends Service Committee, Americans for Democratic Action, and numerous individuals testified in support of this bill. The ERS took no position on the measure.

Your Committee finds that a tragedy is currently occurring in the Darfur Region of Sudan. The United States, along with the international community and hundreds of humanitarian and faith based organizations, have all agreed that genocide is occurring in the Darfur region of Sudan. At present, over 400,000 people have been killed in the region, with another 2.5 million people being displaced from their homes despite calls from the international community that the Sudanese Government put an end to these atrocities. Your Committee believes that placing economic pressure on the Sudanese Government by prohibiting the ERS to invest in companies that do business with Sudan is but one step that can be taken to remedy this tragic situation. This similar action was taken against the country of South Africa during the 1980s as a means of ending the policy of apartheid.

ERS did not take a position on this measure, explaining that the ERS Board of Trustees has not yet met to discuss whether the ERS currently invests in companies that conduct business with Sudan and what effects this legislation may have on the ERS.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 34 and recommends that it pass Second Reading and be referred to the Committee on International Affairs.

Signed by all members of the Committee except Representatives Evans, Har, McKelvey and Souki.

**SCRep. 8 Public Safety & Military Affairs on H.B. No. 2**

The purpose of this bill is to help ensure that inmates and their families can remain united by:

- (1) Requiring the Department of Public Safety (DPS) to develop a plan by January 1, 2008, to return all female Hawaii prisoners who have been sent from Hawaii to mainland corrections facilities for incarceration back to Hawaii by July 1, 2009; and
- (2) Appropriating funds for DPS to carry out this task.

The Office of Hawaiian Affairs, Hawaii Substance Abuse Coalition, Community Alliance on Prisons, Government Efficiency Teams, Inc., TJ Mahoney & Associates, Hawaii Youth Services Network, and several concerned individuals supported this bill. DPS supported the intent of this measure.

Your Committee supports bringing home Hawaii's female inmates incarcerated in mainland prisons. Bringing these women home will give them the invaluable opportunity to interact with their children and families during incarceration. This will move them toward a better future after incarceration and will reduce the incidences of recidivism.

Your Committee finds that the plan referred to in this bill is best described as an "exit" strategy for Hawaii's incarcerated women housed on the mainland. The plan will provide the State with an outline of the steps needed and in what order they should be taken, to ensure a successful transition for these women inmates if they are allowed to return to Hawaii. In formulating this plan, DPS is requested to consider information regarding:

- (1) The projected population and facility requirements for housing the women inmates;
- (2) How other state or federal departments might contribute land or facilities;

- (3) The feasibility of public or private partnerships to provide facilities;
- (4) The use of current locations to expand or renovate;
- (5) Any intended programs and staffing needs for incarcerated women such as substance abuse programs and restorative circles; and
- (6) Types of public outreach and community input policies that should be implemented.

Your Committee finds that a successful plan will provide valuable guidance to the legislature in its decisions regarding funding operating and capital improvement projects to better serve the community.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 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 Sonson, Takamine, Takumi and Pine.

**SCRep. 9 Finance on S.B. No. 638**

The purpose of this bill is to appropriate funds to provide for the expenses of the Legislature and its service agencies.

More specifically, this measure provides for the expenses of the Legislature, Office of the Auditor (Auditor), Hawaii State Ethics Commission (Ethics Commission), Office of the Ombudsman (Ombudsman), Legislative Reference Bureau (LRB), and legislative broadcast program.

The Speaker of the House of Representatives (House), Chief Clerk of the House, Sergeant-at-Arms of the House, Ethics Commission, Auditor, LRB, and Ombudsman testified in support of this bill.

Your Committee notes that Act 1, Session Laws of Hawaii 2004, provided the Auditor with the resources and tools necessary to increase transparency and accountability in state government. The Audit Revolving Fund (Revolving Fund) was created within the Office of the Auditor, and \$3,013,125 in general funds was transferred to it from the general fund budgets of certain state departments that had been auditing themselves. In 2004, the functions transferred to the Auditor included:

- (1) The comprehensive annual financial report of the State; and
- (2) The financial statement and single audits of:
  - (A) The Department of Human Services, excluding the Hawaii Public Housing Authority;
  - (B) The Department of Health;
  - (C) The Department of Education; and
  - (D) The Department of Transportation (DOT), specifically:
    - (i) The administration of DOT;
    - (ii) The Oahu Metropolitan Planning Organization; and
    - (iii) The Airports, Harbors, and Highways divisions of DOT.

To continue providing transparency and accountability in state government, the resources necessary to conduct the financial statement and single audits of 11 additional state departments—\$2,456,035 in general funds—will be cut from the respective departments and transferred to the Revolving Fund. The Revolving Fund will be increased to \$5,600,438 to reflect this increase as well as allow for the reimbursement and expenditure of eligible federal funds.

Your Committee further notes that this budget:

- (1) Increases authorized expenditures for the House of Representatives and Senate by \$2,658,444 (14.2 percent); and
- (2) Increases authorized expenditures for the legislative agencies, Auditor, Ethics Commission, LRB, and Ombudsman by \$2,790,045 (30.1 percent).

Altogether, the total budget for the legislative branch will increase by \$5,448,489 (19.5 percent).

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 10 Human Services & Housing/Health on H.B. No. 10**

The purpose of this bill is to improve the Rx Plus Program by requiring:

- (1) Rebate agreements between drug manufacturers and the Department of Human Services (DHS); and
- (2) DHS to provide health care providers a comparison of drug prices between manufacturers that enter into rebate agreements and those that do not enter into rebate agreements.

The Policy Advisory Board for Elder Affairs, Hawaii Alliance for Retired Americans, Kokua Council, ILWU Local 142, Faith Action for Community Equity, and AARP Hawaii testified in support of this bill. DHS supported the intent of this measure. Pharmaceutical Research and Manufacturers of America opposed this bill.

Your Committees respectfully request the Committee on Consumer Protection and Commerce and the Committee on Finance to consider amending this measure to require DHS to provide information about the percentage of savings resulting from rebate agreements with drug manufacturers.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 10 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 Bertram, Takai and Tokioka.

**SCRep. 11 Human Services & Housing on H.B. No. 203**

The purpose of this bill is to support neurotrauma survivors by:

- (1) Allowing the Neurotrauma Special Fund (Fund) to be used for direct services to assist individuals with neurotraumatic injuries;
- (2) Requiring Fund moneys to be appropriated to obtain matching funds for grants; and
- (3) Requiring the Department of Human Services (DHS) to apply for necessary federal waivers to use moneys in the Fund.

The Hawaii Disability Rights Center, Hawaii Psychiatric Medical Association, and several concerned individuals testified in support of this bill. The Occupational Therapy Association of Hawaii supported the intent of this measure. The Administration opposed this bill. DHS and the Department of health provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 203 and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Bertram, Takai and Tokioka.

**SCRep. 12 Human Services & Housing on H.B. No. 326**

The purpose of this bill is to gain a better understanding of how the State can best meet the needs of child victims of sexual violence by establishing a two-year statewide task force convened by the chairs of the Senate Committee on Human Services & Public Housing and the House Committee on Human Services, to review, assess, and make recommendations, including proposed legislation, on the State's system responses to cases of:

- (1) Child sexual abuse, assault, and exploitation;
- (2) Sexually reactive children;
- (3) Youth who sexually offend; and
- (4) Related minor-to-minor incest;

including Internet crimes against children, child pornography, and child trafficking, and making appropriations for that purpose.

The Department of Human Services, Child & Family Service, The Sex Abuse Treatment Center and an individual supported this bill. The Judiciary supported the intent of this measure. Hawaii Youth Services Network supported this bill with amendments. Catholic Charities of Hawaii commented on this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 326 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Takai and Tokioka.

**SCRep. 13 Health on H.B. No. 228**

The purpose of this bill is to ensure fair and equitable health insurance by:

- (1) Prohibiting rates that are excessive, inadequate, or unfairly discriminatory; and
- (2) Requiring health care insurers to submit rate filings for approval by the Insurance Commissioner.

Summerlin Life and Health Insurance Company, Retail Merchants of Hawaii, Planned Parenthood of Hawaii, Kokua Council, and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs and Hawaii Government Employees Association supported the intent of this measure. The Hawaii Medical Service Association and Kaiser Permanente opposed this bill.

Your Committee has amended this bill by, among other things:

- (1) Lowering the amount of reserve funds which a managed care plan can retain from 50 percent to 30 percent of its annual health care expenditures and operating expenses;
- (2) Requiring managed care plans whose reserve funds exceed 30 percent of their annual health care expenditures and operating costs to reimburse hospitals and participating health care providers;
- (3) Providing that a managed care plan whose reserve funds exceed 30 percent of its annual health care expenditures and operating costs but which fails to reimburse hospitals and participating health care providers, will lose its general excise tax exemption;
- (4) Clarifying that insurance rates cannot be unreasonable in relation to the cost of the benefits provided;
- (5) Requiring that insurers obtain prior approval before implementing plan revisions that affect rates; 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. 228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 228, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 14 Education on H.B. No. 13**

The purpose of this bill is to improve financial accountability by creating the Food Distribution Program Revolving Fund to collect and disburse generated revenues to support the administration and operation of the Department of Education (DOE) food distribution program.

DOE testified in support of this measure. The Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 13 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Nishimoto, Saiki and Shimabukuro.

**SCRep. 15 Education on H.B. No. 17**

The purpose of this bill is to:

- (1) Provide more time for the collection and analysis of data regarding the weighted student formula (WSF); and
- (2) Provide school communities with a more stable funding basis from which to plan and implement school operations,

by requiring the Committee on Weights (COW) to meet not less than biannually, every odd-numbered year, rather than annually, to review and make any necessary changes to the WSF.

The Department of Education testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. The Hawaii State Teachers Association opposed this bill.

Your Committee wishes to clarify that the intent of this bill is to extend the amount of time between required reviews and subsequent adoption of the WSF: COW shall meet at least once in every odd-numbered year to review the WSF, and the Board of Education shall meet at least once in every odd-numbered year to adopt the WSF based on the recommendations from COW.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 17 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 16 Education/Labor & Public Employment on H.B. No. 592**

The purpose of this bill is to attract, retain, and reward quality and excellence in educational assistants by appropriating funds to the Department of Education to implement and maintain a career ladder program for educational assistants.

The Hawaii Government Employees Association testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 592 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, Chang, Lee, McKelvey, Shimabukuro, Souki, Finnegan and Pine.

**SCRep. 17 Education/Labor & Public Employment on H.B. No. 20**

The purpose of this bill is to remove the provision that any position reallocated within the Department of Education (DOE) must be redirected from the state and district offices to the individual schools and learning support centers. Under the Reinventing Education Act of 2004 (Act 51, Session Laws of Hawaii 2004):

- (1) Schools can now determine the number and type of positions required by the school; and
- (2) DOE now has the authority to transfer positions within DOE.

DOE testified in support of this bill. The Hawaii Government Employees Association opposed this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 20 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, Chang, Lee, McKelvey, Shimabukuro, Souki, Finnegan and Pine.

**SCRep. 18 Education/Labor & Public Employment on H.B. No. 23**

The purpose of this bill is to ensure the safety of children by:

- (1) Adding providers, subcontractors, and trainees from an institution of higher education to the list of individuals subject to criminal history record checks for purposes of employment with the Department of Education; and
- (2) Appropriating funds to conduct the criminal history record checks.

The Department of Education testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Excluding the reference to an institution of higher education from the requirement for criminal history record checks of trainees whose positions place them in close proximity to children; 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 Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 23, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 23, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Lee, McKelvey, Shimabukuro, Souki, Finnegan and Pine.

**SCRep. 19 Human Services & Housing on H.B. No. 469**

The purpose of this bill is to support victims of domestic violence by prohibiting discriminatory practices in real estate transactions, including financial transactions in connection with real estate transactions, because of one's status as a victim of domestic violence.

The Hawaii Family Forum, the Roman Catholic Church in the State of Hawaii, Legal Aid Society of Hawaii, and numerous individuals testified in support of this bill. The Hawaii Association of Realtors submitted comments.

Your Committee urges the advocates of this bill to work with the Hawaii Association of Realtors to conform relevant real estate transaction forms to the changes made in this bill, and to conduct coordinated awareness outreach efforts.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 469 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 20 Human Services & Housing on H.B. No. 150**

The purpose of this bill is to provide shelter and services to homeless and low-income individuals and families by:

- (1) Increasing from 30 to 65 percent, the allocation of the conveyance tax to the Rental Housing Trust Fund (RHTF);
- (2) Appropriating \$60,000,000 for fiscal year 2007-2008 for RHTF purposes;
- (3) Appropriating an unspecified amount of funds in each year of fiscal biennium 2007-2009 to repair and renovate state public housing;
- (4) Appropriating \$15,000,000 in each year of fiscal biennium 2007-2009 for outreach and support services to the homeless;
- (5) Appropriating \$15,000,000 in each year of fiscal biennium 2007-2009 to operate emergency and transitional shelters; and
- (6) Appropriating \$5,000,000 in each year of fiscal biennium 2007-2009 to provide matching funds for Shelter Plus Care grants.

The Department of Taxation, Partners In Care, Hawaii Association of REALTORS, Waikiki Health Center's Care-A-Van Program, and Catholic Charities Hawaii testified in support of this bill. The Land Use Research Foundation of Hawaii supported the intent of this measure. The Hawaii Public Housing Authority, Hawaii Housing Finance and Development Corporation, and Tax Foundation of Hawaii provided comments.

Your Committee notes that testimony reflected that new proposals for Shelter Plus Care are in five-year increments and that appropriations should increase incrementally to maximize the use of funds. The request is for \$3,000,000 in the first year, \$4,000,000 in the second year, and \$5,000,000 every year thereafter.

Accordingly, your Committee has amended this bill by:

- (1) Appropriating \$30,000,000 for the RHTF in each year of fiscal biennium 2007-2009, instead of \$60,000,000 in only the first year of the biennium;
- (2) Changing the appropriation for the Shelter Plus Care grants to \$3,000,000 in fiscal year 2007-2008 and \$4,000,000 in fiscal year 2008-2009; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 150, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Bertram, Takai and Tokioka.

**SCRep. 21 Human Services & Housing on H.B. No. 534**

The purpose of this bill is to create greater awareness of the importance of child safety seats by:

- (1) Requiring the Keiki Injury Prevention Coalition (Coalition) to educate the public about Hawaii's child passenger restraint law;
- (2) Requiring the Coalition to implement a program to subsidize the cost of booster car seats for families meeting certain income limits;
- (3) Requiring the Department of Human Services (DHS) to assist the Coalition to design and implement the subsidy program; and
- (4) Appropriating funds to be expended by DHS for the public awareness campaign and subsidy program.

The Occupational Therapy Association of Hawaii supported this bill with amendments. DHS provided comments.

DHS stated that while it appreciates the intent of this measure, it does not feel it is the appropriate entity to administer it.

Accordingly, your Committee has amended this bill by:

- (1) Requiring the Honolulu Police Department (HPD) to work with the Coalition instead of DHS;
- (2) Requiring HPD to issue subsidy vouchers to nonprofit organizations operating child safety seat programs; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 534, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

**SCRep. 22 Health on H.B. No. 212**

The purpose of this bill is to improve the provision of health care statewide by directing the State Health Planning and Development Agency to develop and maintain a statewide comprehensive health care workforce map and database (Map and Database) to:

- (1) Compile and analyze existing data on the supply and distribution of all health care practitioners, technicians, and other health care workers by specialty and practice location;
- (2) Develop a plan to collect and systematically update data; and
- (3) Develop a plan to project and meet future health care workforce needs.

The bill appropriates an unspecified amount for the development and maintenance of the Map and Database.

The Department of Human Services, County of Hawaii, Hawaii Medical Service Association, Hawaii Psychiatric Medical Association, and a concerned individual supported this bill. The Department of Health (DOH) and Hawaii Medical Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Requiring DOH to develop and maintain a secure Map and Database;
- (2) Requiring DOH in the development and maintenance of a secure Map and Database to:
  - (A) Develop a plan to address and reduce any identified shortages of health care workers; and
  - (B) Ensure that data collected is accurate and secure, and that data specific to any practitioner is disclosed only with the express written consent of the practitioner;
- (3) Specifying the appropriation amount of \$500,000 for DOH;
- (4) Expanding the purpose section of the bill to include other reasons for and consequences of the shortage of health care professionals in Hawaii; 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 H.B. No. 212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 212, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 23 Higher Education on H.B. No. 202**

The purpose of this bill is to alleviate the lack of psychiatric services in certain areas of the state by requiring and appropriating funds for the University of Hawaii (UH) to expand its existing telepsychiatry project to rural Oahu, rural Kauai, and Hawaii, and to involve advanced graduate psychiatric residents in the provision of the services.

The Ko'olauloa Community Health and Wellness Center, Inc., NAMI Oahu, and several concerned individuals testified in support of this bill. The Hawaii Psychiatric Medical Association supported this measure with amendments. The Department of Health, Department of Human Services, and UH John A. Burns School of Medicine supported the intent of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 202, H.D. 1, and be referred to the Committee on Health.

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

**SCRep. 24 Higher Education on H.B. No. 669**

The purpose of this bill is to improve healthcare workforce development and training and ultimately ensure patient safety by appropriating funds to:

- (1) Establish a network of healthcare workforce simulation resource laboratories at Kauai Community College, Maui Community College, and the University of Hawaii (UH) at Hilo, jointly used and operated by UH at Hilo and Hawaii Community College; and
- (2) Expand the simulation laboratory at UH at Manoa, to be used in conjunction with Kapiolani Community College.

The Hawaii State Center for Nursing of UH at Manoa School of Nursing and Dental Hygiene, Healthcare Association of Hawaii, Hawaii Association of Professional Nurses, and several concerned individuals testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. UH offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 669, H.D. 1, and be referred to the Committees on Health and Labor & Public Employment.

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

**SCRep. 25 Higher Education on H.B. No. 1528**

The purpose of this bill is to encourage Hawaii residents to pursue post secondary education by:

- (1) Increasing the amount of funds appropriated for the B Plus Scholarship Program (Program); and
- (2) Changing the Program's eligibility criteria.

The University of Hawaii at Manoa (UH-Manoa) College of Education, UH-Manoa GEAR UP, GEAR UP Hawaii, United Filipino Community Council, Oahu Filipino Community Council, Filipino Coalition for Solidarity, Hawaii Women Work!, and several concerned individuals testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1 to encourage further discussion;
- (2) Specifying that Hawaii residents who pledge, via an early intervention program, to meet the requirements for the B Plus Scholarship (Scholarship), shall receive priority for the Scholarship; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1528, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Berg.

**SCRep. 26 Labor & Public Employment on H.B. No. 1081**

The purpose of this bill is to supplement state enforcement of prevailing wage violations by giving standing to a joint labor-management committee established under section 175a of the federal Labor Management Cooperation Act of 1978 (29 U.S.C. §175a) (Labor Act) to bring civil actions against employers who fail to pay the prevailing wage to employees.

The Hawaii Carpenters Union testified in support of this bill. The Department of Labor and Industrial Relations (DLIR) opposed this measure.

Your Committee finds that section 175a of the Labor Act authorizes the creation of a joint labor-management committee. The committee would provide an additional means of enforcing prevailing wages law in cases where the DLIR is not pursuing action.

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. 1081 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 27 Labor & Public Employment on H.B. No. 1193**

The purpose of this bill is to provide for timely salary adjustments for trustees of the Office of Hawaiian Affairs (OHA) by requiring the salary commission for the Board of Trustees for OHA (Salary Commission) to meet every year beginning in 2008.

OHA and the Association of Hawaiian Civic Clubs testified in support of this measure.

Currently, the Salary Commission meets every four years to consider salary recommendations for OHA Trustees. By requiring the Salary Commission to meet annually, your Committee finds that salary adjustments for OHA Trustees would be more reflective of inflation and would offer more adequate compensation.

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. 1193 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 28 Human Services & Housing on H.B. No. 100**

The purpose of this bill is to provide an incentive for families to accumulate wealth and move off of medical assistance programs by requiring the Department of Human Services (DHS) to disregard the assets of households with minor dependents when determining eligibility for medical assistance.

3Point, Hawaii Alliance for Community Based Economic Development, National Association of Social Workers, Hawaii, and a concerned individual supported this bill. DHS offered comments.

Your Committee notes that asset tests represent a financial disincentive for families to accumulate savings, savings which are essential for families to break the cycle of intergenerational poverty and dependence. Your Committee's intent in passing this measure is not to increase the asset limits, but to remove them. Removing the asset test will provide an incentive for families currently receiving medical assistance to accumulate sufficient assets and wealth to move themselves off of such medical assistance programs on their own. Removing the asset test may even result in long-term net savings to the State, as the administrative costs in implementing the asset tests are eliminated and more families move off of medical assistance.

Your Committee also recognizes that additional information and data from DHS will prove useful in assessing the impact of this measure. Therefore, your Committee requests that DHS provide estimated costs/savings of this measure, alternative asset test ceiling amounts, and data from other states.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 100 and recommends that it pass Second Reading and be referred to the Committee on Finance.



Signed by all members of the Committee.

**SCRep. 29 Human Services & Housing on H.B. No. 928**

The purpose of this bill is to increase low- and moderate-income families' homeownership by:

- (1) Exempting family self-sufficiency escrow accounts from the asset test for public assistance administered by the Department of Human Services; and
- (2) Appropriating funds to the Hawaii Public Housing Authority (HPHA) for:
  - (a) Increasing outreach to increase enrollment in the section 8 homeownership option and the housing choice voucher family self-sufficiency programs;
  - (b) Increasing administrative support for both of the programs;
  - (c) Providing matching grants or loan forgiveness to section 8 homeownership option program participants to help with down payments; and
  - (d) Providing additional state matches to housing choice voucher family self-sufficiency program participants to help participants build homeownership savings.

3Point and the Hawai'i Alliance for Community-Based Economic Development supported this bill. HPHA provided comments.

Your Committee notes that it is estimated that approximately \$500,000 will be needed for HPHA to expand its efforts as provided in this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 928 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 30 Human Services & Housing on H.B. No. 102**

The purpose of this bill is to help public assistance recipients meet basic needs and work toward self-sufficiency by:

- (1) Requiring that the Department of Business, Economic Development, and Tourism (DBEDT) annually establish a self-sufficiency standard to be used by the Department of Human Services (DHS) in calculating public assistance payments; and
- (2) Requiring annual reports to the Legislature on the number of persons exiting public assistance programs utilizing the annually adjusted self-sufficiency standard after 2007.

The Hawaii Alliance for Community-Based Economic Development, 3Point, Hawaii State Commission on the Status of Women, Aloha United Way, ILWU Local 142, Hawaii Women Work!, National Association of Social Workers, and several concerned individuals testified in support of this bill. DBEDT and DHS provided comments.

Your Committee notes that DBEDT requested \$250,000 in fiscal year 2007-2008 and \$415,000 in fiscal year 2008-2009 for purposes of this measure. Your Committee recognizes the importance of an annually adjusted self-sufficiency standard to allow Hawaii to better provide living wages and an adequate level of assistance to the needy.

Your Committee has amended this bill by:

- (1) Clarifying that the self-sufficiency standard be based on existing models;
- (2) Requiring DBEDT to provide annual reports to the Legislature on the self-sufficiency standard, beginning 20 days prior to the Regular Session of 2008;
- (3) Specifying that DHS submits annual reports to the Legislature on the number of individuals leaving public assistance programs after the implementation of the self-sufficiency standard, beginning 20 days prior to the Regular Session of 2009;
- (4) Implementing calculation of public assistance payments based on the self-sufficiency standard beginning July 1, 2008; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 102, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 102, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Bertram, Takai and Tokioka.

**SCRep. 31 Health/Human Services & Housing on H.B. No. 55**

The purpose of this bill is to:

- (1) Establish a Youth Suicide Early Intervention and Prevention Program (Program) for Hawaii; and
- (2) Appropriate funds to the Department of Health for the Program.

The National Alliance on Mental Illness Oahu, the Hawaii Suicide Prevention Steering Committee, and several concerned individuals supported this bill. The Department of Health and Department of Education supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 55 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Takai and Tokioka.

**SCRep. 32 Health/Human Services & Housing on H.B. No. 223**

The purpose of this bill is to support Hawaii's health care safety-net by earmarking general excise tax revenues generated by health care services to support, among other services, hospital and emergency services as well as services for the uninsured.

The Hawaii Health Systems Corporation, Hawaii Government Employees Association, ILWU Local 142, Queen's Medical Center, Hawaii Primary Health Care Association, and Hawaii Pacific Health supported this bill. The Healthcare Association of Hawaii supported this measure with amendments. The Chamber of Commerce of Hawaii supported the intent of this bill. The Department of Budget and Finance opposed this measure. The Department of Taxation, Department of Health (DOH), and Tax Foundation of Hawaii submitted comments on this bill.

Your Committees have amended this bill by, among other things:

- (1) Naming the Act the "Health Care Reinvestment Act";
- (2) Designating that moneys collected from general excise tax revenues generated by health care services go toward supporting:
  - (A) Trauma services;
  - (B) Health care workforce development for medically underserved areas of the state;
  - (C) Improved statewide aeromedical transport systems;
  - (D) Rural hospitals;
  - (E) Medical malpractice subsidies for subspecialists;
  - (F) Reimbursements for health care providers services rendered to Medicaid patients;
  - (G) The Department of Human Services' (DHS) Keiki Care Program; and
  - (H) Subsidies for part-time worker insurance plans for people who do not qualify for employer-provided health insurance under the Prepaid Health Care Act;
- (3) Establishing the Health Care Reinvestment Fund administered by DOH;
- (4) Establishing the Health Insurance Support Special Fund administered by DHS;
- (5) Deleting the First Response Health Care Services Special Fund;
- (6) Deleting the Essential Health Care Services Special Fund; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 223, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 223, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Bertram, Takai and Tokioka.

**SCRep. 33 Labor & Public Employment on H.B. No. 861**

The purpose of this bill is to:

- (1) Require that the Director of Budget and Finance report any issuances of special purpose revenue bonds for public work projects that are subject to Chapter 104, Hawaii Revised Statutes (HRS), but not directly caused by a governmental contracting agency, to the Department of Labor and Industrial Relations (DLIR) so that DLIR may enforce the wage and hour provisions of Chapter 104, HRS; and
- (2) Make DLIR responsible for enforcing the provisions in Chapter 104, HRS, including those on the collection and maintenance of certified payroll copies, for public work projects that are subject to Chapter 104, HRS, but not directly caused by a governmental contracting agency.

The International Brotherhood of Electrical Workers Local Union 1186 and the Ironworkers Union Local 625 Stabilization Fund testified in support of this bill. The Department of Budget and Finance and DLIR opposed this measure.

Your Committee finds that under current law, public works projects involving special purpose revenue bonds are not subject to Chapter 104, HRS, enforcement. To ensure that indirect public works projects which involve the issuance of special purpose revenue bonds comply with prevailing wages law, your Committee finds it necessary to clarify that DLIR is the government agency responsible for this area.

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. 861 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 34 Public Safety & Military Affairs on H.B. No. 5**

The purpose of this bill is to improve inmate reform and reconciliation from past offenses by appropriating funds and requiring the Department of Public Safety (DPS) to expand the Restorative Circles Pilot Program (Program) currently in place at the Waiawa Correctional Facility, to other correctional facilities statewide to allow inmates and victims a chance to repair harm caused by past offenses.

DPS, Hawaii Paroling Authority, Community Alliance on Prisons, TJ Mahoney & Associates, and several individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 5 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Takamine, Takumi and Pine.

**SCRep. 35 International Affairs on H.B. No. 1947**

The purpose of this bill is to support the cultures and traditions of indigenous peoples worldwide by appropriating the sum of \$125,000 to help plan for the Healing Our Spirit Worldwide Conference to be hosted in Hawaii in 2010.

Since 1992, under the leadership of the International Indigenous Council, native-peoples organizations have hosted this health conference in Sydney, Australia; Rotorua, New Zealand; Albuquerque, United States; and Edmonton, Canada. The 1992 gathering in Edmonton attracted 3,300 individuals.

Papa Ola Lokahi and the Native Hawaiian Health Board 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 International Affairs 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 referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Green, Mizuno, Takai and Awana.

**SCRep. 36 Education on H.B. No. 21**

The purpose of this bill is to limit asbestos testing to suspected asbestos-containing materials, as required by the federal Asbestos Hazard Emergency Response Act of 1986 (Asbestos Act), prior to any exterior or interior renovations or painting of school facilities.

The Department of Education 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 the purpose language of the bill;
- (2) Clarifying that asbestos testing is to be conducted on all suspected asbestos-containing materials, including exterior surfaces, and as required by the Asbestos Act for interior surfaces;
- (3) Extending the requirement to conversion charter schools; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 21, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 37 Education/Labor & Public Employment on H.B. No. 25**

The purpose of this bill is to create a larger pool of highly qualified teachers to serve in Hawaii's schools by requiring the Hawaii Teacher Standards Board (HTSB) to issue Hawaii licenses to teachers with licenses issued by any state with licensing standards equivalent to or higher than Hawaii's.

The Department of Education supported this bill with amendments. The University of Hawaii, HTSB, and Hawaii State Teachers Association opposed this measure.

Your Committees have amended this bill by:

- (1) Upholding the requirement that HTSB pursue full teacher license reciprocity with other states, but extending it to all 50 states, rather than requiring HTSB to issue licenses to teachers with licenses issued by any state with licensing standards equivalent to or higher than Hawaii's; 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 Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 25, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 25, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Lee, McKelvey, Shimabukuro, Souki, Finnegan and Pine.

**SCRep. 38 Higher Education on H.B. No. 239**

The purpose of this bill is to alleviate the critical shortage of student housing throughout the University of Hawaii (UH) system by:

- (1) Authorizing the UH Board of Regents to enter into agreements with private developers to develop new student housing or convert existing housing into student housing on or near UH campuses; and
- (2) Appropriating funds for such public-private agreements.

UH testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 239 and recommends that it pass Second Reading and be referred to the Committee on Human Services & Housing.

Signed by all members of the Committee except Representative Berg.

**SCRep. 39 Human Services & Housing on H.B. No. 525**

The purpose of this bill is to assist foster youth in their transition toward independence by requiring foster youth 14 years of age or older who are in permanent custody or foster custody to participate in an age appropriate independent living program (Program).

The Legal Aid Society of Hawaii and Hawaii Centers for Independent Living testified in support of this bill. The Department of Human Services (DHS) supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Appropriating Temporary Assistance for Needy Families funds instead of general funds for the Program;
- (2) Adding faith-based organizations to the list of training and information provided under the Program;
- (3) Requiring the foster child's written plan to be coordinated with the child's individualized education program (IEP) or transition plan; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 525, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 525, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 40 Education on H.B. No. 14**

The purpose of this bill is to repeal the transfer of functions from the Department of Budget and Finance (B&F) to the Department of Education (DOE) as specified in Act 51, Session Laws of Hawaii 2004, as amended, as the two departments have improved the fiscal processes between them.

DOE, B&F, Interagency Working Group, and the Hawaii Government Employees Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 14 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Nishimoto, Saiki and Shimabukuro.

**SCRep. 41 Education on H.B. No. 22**

The purpose of this bill is to:

- (1) Repeal the State Educational Facilities Repair and Maintenance Account because there is no longer a need for a separate account for projects on the backlog list as of June 30, 2000; and
- (2) Amend the School Physical Plant Operations and Maintenance Account by renaming it the School Facilities Repair and Maintenance Account and using it for all school repairs and preventive maintenance projects.

DOE testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 22 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 42 Health on H.B. No. 770**

The purpose of this bill is to provide for the orderly transition of a dental practice during contingencies by allowing the executor or administrator of a dentist's estate or the legal guardian or authorized representative of a dentist to contract with a licensed dentist to continue the operations of the deceased or incapacitated dentist for up to one year.

The Hawaii Dental Association and several concerned individuals supported this bill. The Board of Dental Examiners submitted comments on this measure.

Your Committee finds that current law only allowing a licensed dentist to own and operate a dental practice is unduly prohibitive to the spouse, family members, executor, or administrator of the estate of a deceased or incapacitated dentist. The dentist's representative is unable to continue service by hiring other licensed dentists or sell the practice unless the representative is also a licensed dentist. This bill will correct this problem and provide some relief to families already burdened with the loss of a loved one and benefactor.

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. 770 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 43 Health on H.B. No. 56**

The purpose of this bill is to advance initiatives to provide health care insurance for all Hawaii residents by establishing the Hawaii Health Commission (Commission) to develop a health plan allowing all individuals in the state health care coverage. The Commission will specify:

- (1) Eligibility for the health plan;
- (2) All reimbursable services under the plan;
- (3) All approved providers of services under the plan;
- (4) A method to evaluate the health care provided under and the cost-effectiveness of all aspects of the plan; and
- (5) A budget for the plan.

The National Association of Social Workers – Hawaii Chapter, National Alliance on Mental Illness Oahu, Kokua Council, and several concerned individuals supported this bill. A concerned individual supported this measure with amendments. The Hawaii Government Employees Association supported the intent of this bill. The Hawaii Medical Association opposed this measure. The Department of Commerce and Consumer Affairs and concerned individuals submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Placing the Commission within the Department of Budget and Finance for administrative purposes;

- (2) Increasing the number of Commission members from five to nine;
- (3) Providing that the Speaker of the House and President of the Senate will each submit a list of three nominees to be appointed as members of the Commission;
- (4) Deleting term limits for the Commission members;
- (5) Clarifying that a minimum of five members constitutes a quorum to take action by the Commission;
- (6) Authorizing the Commission to seek waivers of federal law, rule, or regulation;
- (7) Deleting the June 30, 2010, sunset date; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 56, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 56, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 44 Education on H.B. No. 593**

The purpose of this bill is to ensure the safety of athletes by implementing licensing provisions for athletic trainers.

The Athletic Directors and Coaches Association testified in support of this bill. The Hawaii Athletic Trainers Association (HATA) supported this measure with amendments. The Hawaii Government Employees Association supported the intent of this bill. The Department of Education (DOE) and Department of Commerce and Consumer Affairs (DCCA) offered comments.

Your Committee notes that DOE and HATA both suggest that a board of athletic training similar to those of other licensed medical professions, rather than the director of DCCA, oversee the licensure of athletic trainers. Your Committee believes that consideration of such an amendment is properly within the purview of the Committee on Consumer Protection & Commerce.

Your Committee has amended this bill by:

- (1) Changing all references to "directing physician" and "supervising physician" to "treating physician" to clarify that athletic trainers may work under the guidance of other physicians in the care of their patients, such as a student's primary care physician;
- (2) Allowing athletic trainers to design and construct, as well as apply, protective products to prevent athletic injuries;
- (3) Allowing an athletic trainer to provide counseling and guidance to prevent athletic injuries;
- (4) Clarifying that athletic trainers may rehabilitate and recondition athletic injuries by administering therapeutic, as well as conditioning exercises, using standard techniques and procedures to facilitate recovery, function, and performance, including application of flexibility or range of motion exercises; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 593, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 45 Education on H.B. No. 24**

The purpose of this bill is to provide greater incentives for teachers certified by the National Board for Professional Teaching Standards to work at schools that are restructuring under the No Child Left Behind Act by giving such teachers an additional \$5,000 bonus per year.

The University of Hawaii and a concerned individual testified in support of this bill. The Department of Education and Hawaii State Teachers Association supported the intent of this measure. A concerned individual opposed this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 24 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 Shimabukuro and Takamine.

**SCRep. 46 Education on H.B. No. 26**

The purpose of this bill is to compensate the members of the Board of Education (BOE) for their time and efforts in executing their responsibilities and duties by establishing and appropriating funds for:

- (1) Salaries; and
- (2) Protocol allowances to cover expenses incurred in the course of their work.

BOE and a concerned individual testified in support 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 26 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 Shimabukuro and Takamine.

**SCRep. 47 Education/Health on H.B. No. 16**

The purpose of this bill is to improve the efficiency of school health functions by:

- (1) Repealing the school health services program currently operating within the Department of Health (DOH);
- (2) Repealing the transfer from DOH to the Department of Education (DOE) of public health nurses who supervise school health aides; and
- (3) Creating a school health services program in DOE.

DOE and DOH testified in support of this bill. The Hawaii Government Employees Association opposed this measure.

Your Committees have amended this bill by:

- (1) Clarifying that Act 51, Session Laws of Hawaii (SLH) 2004, was amended by Act 221, SLH 2004, Act 22, SLH 2005, and Act 225, SLH 2006; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 16, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 16, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Rhoads, Saiki, Takamine, Tokioka and Wakai. (Representative Chang voted no.)

**SCRep. 48 Labor & Public Employment on H.B. No. 863**

The purpose of this bill is to expand and improve fair labor practices to all projects in which the government is involved by:

- (1) Expanding public works to private construction contracts if more than 50 percent of the assignable square footage of the construction project is assigned or leased for use by government under certain conditions;
- (2) Requiring a construction project owner (owner) who undertakes a construction project for structures to be used by government to:
  - (A) Sign a lease agreement that certifies compliance with the State's Public Works Prevailing Wage Law (Public Works Law);
  - (B) Submit copies of the lease agreement to the Department of Labor and Industrial Relations (DLIR) and Department of Accounting and General Services (DAGS); and
  - (C) Submit certified payrolls to the governmental leasing agency or governmental agency accepting the construction project for its use;
 and
- (3) Clarifying that the governmental leasing agency or governmental agency accepting the construction project for its use is the governmental contracting agency for the construction project.

The Hawaii Carpenters Union testified in support of this bill. DLIR opposed this measure.

Currently, the determination of prevailing wages on public works projects is the responsibility of the DLIR Director. However, your Committee finds that government agencies are using indirect methods to develop and construct projects where the government agency is not the contractor for the project. These indirect methods include the construction and development of structures to be used by government but built by the private sector in return for lease agreements. It is these situations that questions are often raised whether prevailing wages must be paid on these projects. This bill attempts to clarify this confusion.

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. 863 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 49 Labor & Public Employment on H.B. No. 1493**

The purpose of this bill is to ensure proper staffing of the Crime Victim Compensation Commission (Commission) by:

- (1) Exempting Commission staff from civil service requirements; and
- (2) Allowing Commission staff to maintain their right to collective bargaining.

The Commission testified in support of this bill.

The Commission was established in 1967 to mitigate the physical, emotional, and financial impact suffered by victims of violent crime. Unfortunately, the need for a specialized staff has often made it difficult for the Commission to attract and retain qualified individuals that meet state civil service requirements. This measure will ensure proper staffing of the Commission, allowing the Commission to better serve Hawaii's victims of violent crime.

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. 1493 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 50 Labor & Public Employment on H.B. No. 887**

The purpose of this bill is to strengthen the Whistleblowers' Protection Act by:

- (1) Providing additional protections to public employees who report or are about to report to a public employer or public body:
  - (A) Law violations;

- (B) Actions by a public employer or public employee that are economically wasteful or involved gross misconduct, incompetence, or inefficiency; and
  - (C) Conditions that may significantly threaten the health or safety of the public or of the public employee;
- (2) Allowing a public employee to bring civil action for punitive damages for reporting alleged violations; and
  - (3) Expanding the role of the State Ombudsman regarding whistleblower protection.

The Hawaii Government Employees Association, ILWU Local 142, and Hawaii State Teachers Association testified in support of this bill. The Department of Human Resources of the City and County of Honolulu testified in opposition to this measure. The Department of Human Resources Development, Department of the Attorney General, and Office of the Ombudsman commented on this bill.

The Whistleblowers' Protection Act was enacted to protect employees who report violations of federal, state, and local laws, regulations, or any other illegal activity performed by an employer. Your Committee finds that this measure could result in more efficient and ethical government operations since employees are more apt to come forward and report problems if they are protected for doing 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 H.B. No. 887 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 51 Labor & Public Employment on H.B. No. 393**

The purpose of this bill is to protect the health of all public employees by requiring the State and counties to provide health insurance benefits to part-time, temporary, and seasonal or casual employees.

The Hawaii Government Employees Association, ILWU Local 142, Hawaii State Teachers Association, and Hawaii Uninsured Project of the Hawaii Institute for Public Affairs testified in support of this bill. The Hawaii Employer-Union Health Benefits Trust Fund, Department of Budget and Finance, Department of Education, and Department of Human Resources of the City and County of Honolulu testified in opposition to this measure.

Hawaii is known as the "Health State" because of the Prepaid Healthcare Act, which attempted to provide near universal healthcare coverage to the people of Hawaii. However, many people who are part-time employees do not qualify for health insurance under the Prepaid Healthcare Act. A large number of part-time, temporary, and seasonal or casual employees who work for the State and county governments fall into this category. Your Committee finds that the State and counties should lead by example and provide healthcare coverage for all of its employees.

However, your Committee recognizes that providing this benefit may have some financial impacts on both the State and the counties. Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2059, to promote 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 393, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 52 Transportation on H.B. No. 154**

The purpose of this bill is to enhance traffic safety by making various amendments to statutory language involving sanctions for persons operating a motor vehicle with a high blood alcohol level. Among other things, this bill:

- (1) Clarifying the term "highly intoxicated driver";
- (2) Establishes evidence and sentencing parameters for highly intoxicated drivers; and
- (3) Establishes minimum and maximum administrative license revocation periods for highly intoxicated drivers.

The Department of Transportation, Honolulu Police Department, and Mothers Against Drunk Driving-Hawaii testified in support of this bill.

Hawaii has seen an increase in the number of alcohol-related traffic accidents and fatalities. Sadly, between 2001 and 2005, there were 674 traffic fatalities on Hawaii's roadways, 303 of which were alcohol related. However, of greater alarm is the number of impaired drivers operating a motor vehicle with a high blood alcohol content. In fact, over the last five years, approximately 48 percent of intoxicated drivers involved in alcohol-related crashes in Hawaii had a blood alcohol content (BAC) of .15 or higher with the average BAC of a driver arrested for driving under the influence of an intoxicant estimated to be .14. This constitutes a major public safety and public health problem that needs to be addressed.

Your Committee notes that the Legislature has worked diligently on this issue, passing legislation during the Regular Session of 2006 that created a new category of impaired drivers. This bill seeks to further clarify that law.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 154 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

**SCRep. 53 Transportation on H.B. No. 1447**

The purpose of this bill is to reduce excessive noise produced by loud motor vehicles and mopeds by:

- (1) Establishing motor vehicle and moped noise restrictions, including for areas near any structure used for lodging;
- (2) Providing for increases in fines for a second, third, or subsequent violation of the noise restrictions; and
- (3) Providing for the seizure and impoundment of a motor vehicle or moped used in violation of the noise restrictions.

An individual testified in support of this bill. The Honolulu Police Department (HPD) opposed this measure. The Judiciary and Hawaii Transportation Association submitted comments on this bill.

Overly excessive noise emitted from motor vehicles and mopeds is a nuisance and affects the quality of life for many residents, especially those living in densely populated areas such as Salt Lake, Waikiki, and Ala Moana on the island of Oahu. This is especially pronounced in the late evening and early morning hours.

Although your Committee understands the concerns raised by HPD that it lacks the equipment to enforce the specific decibel levels established in this measure, and that current ordinances and statutes appear to address this problem, the continuing number of complaints received regarding motor vehicle and moped noise necessitates further action and this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1447 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har

**SCRep. 54 Transportation on H.B. No. 1484**

The purpose of this bill is to promote public safety by:

- (1) Providing for graduated fines for first, second, and third convictions of motor vehicle drivers who violate speed limits; and
- (2) Establishing a Speed Control Special Fund into which fines shall be deposited to finance projects aimed at controlling noncompliance with speed limit laws.

The Honolulu Police Department testified in support of this bill. The Judiciary commented on this measure.

Unfortunately, numerous motor vehicle accidents involve speed. In fact, a number of recent fatalities have been attributed to speeding, bringing this issue to prominence in the news media and focusing public attention on this matter. All too often, these tragedies are avoidable.

Your Committee notes that a number of individuals cited for speeding have multiple citations. For example, in 2001 an individual was killed after a collision with another vehicle during a race on the freeway. The driver of the speeding vehicle had been cited for speeding on two prior occasions. Your Committee finds that tragedies involving speeding vehicles can be prevented and that this measure will make Hawaii's roads safer.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1484 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

**SCRep. 55 Transportation on H.B. No. 64**

The purpose of this bill is to help alleviate traffic congestion on public roadways, especially on the western end of the island of Oahu by:

- (1) Allowing the Department of Transportation (DOT) to partner with a private developer to purchase or lease land for an intra-island ferry or water taxi service for West Oahu; and
- (2) Requiring DOT to involve the City and County of Honolulu in the planning to provide bus service to the areas these modes of transportation will serve.

The Oahu Metropolitan Planning Organization, Ocean Tourism Coalition, and two concerned individuals testified in support of this bill. DOT and the Department of Transportation Services of the City and County of Honolulu commented on this measure.

Current population growth statewide continues to push highways and public roadways to the point of capacity. The lack of a quick and reliable alternative method of commuting other than the bus system on Oahu only adds to the demands placed on state and county roadways. One method of relieving this pressure is through the use of an intra-island water ferry system.

With the State and the City and County of Honolulu directing new development and population growth to West Oahu, adequate transportation will be necessary to alleviate the resulting increase in traffic congestion. A viable alternative to surface transportation is ocean transportation furnished by ferries and water taxis.

Your Committee notes that an intra-island water ferry demonstration project was completed by DOT and that the economic feasibility of this commuter ferry could not be substantiated. Nevertheless, alternative methods of mass transit need to be pursued and this measure warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 64 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 56 Transportation on H.B. No. 372**

The purpose of this bill is to promote the civil engineering profession and enhance the recruitment and retention of civil engineers in the Department of Transportation (DOT) by providing financial assistance, on-the-job training, and educational opportunities to qualified students in Hawaii.

DOT, the Department of Civil and Environmental Engineering of the College of Engineering of the University of Hawaii at Manoa, American Society of Civil Engineers, Hawaii Automobile Dealers Association, and Hawaii Highway Users Alliance testified in support of this bill. The Department of Education supported the intent of this measure.

Enrollment in engineering programs, at both the national and local levels, has been declining over the years. This decline has resulted in a shortage of engineers of all disciplines throughout the United States, a shortage that is only expected to increase as many current engineers begin to retire. Your Committee finds that locally, DOT must compete with both private-sector consulting firms and other government agencies in attracting and retaining qualified engineers in an already tight job market. The establishment of a civil engineering scholarship program is a novel way to promote careers in transportation planning, design, and construction.

However, your Committee notes that, while the Highways Division of DOT is the DOT program area that requires the largest number of civil engineers, both the Airports Division and Harbors Division face a need to hire entry-level civil engineers, and this scholarship program may assist these divisions as well.



Accordingly, your Committee has amended this measure by:

- (1) Broadening the scope of the program to include the Airports and Harbors divisions of DOT; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 372, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Har.

**SCRep. 57 Transportation on H.B. No. 1549**

The purpose of this bill is to improve traffic flow by:

- (1) Requiring the Honolulu Police Department (HPD) to establish Multidisciplinary Accident Investigation Teams (MAITs) to conduct expeditious investigations of serious accidents on major roadways; and
- (2) Appropriating funds for the establishment of MAITs.

The Hawaii Highway Users Alliance and several concerned individuals testified in support of this bill. The Department of Transportation Services of the City and County of Honolulu and HPD testified in opposition to this measure.

On-site investigations of accident scenes and their resultant lane closures cause numerous problems for motorists, including secondary accidents and traffic delays. Recent traffic incidents have caused delays lasting from between two to eight hours. Your Committee finds that MAITs are used in many other cities of comparable size across the country and that through the use of these teams, accident scene investigation times showed a significant reduction, providing quicker relief to commuters.

This problem is a statewide issue, not just an issue applicable to the City and County of Honolulu. Your Committee further notes that although memorandums of understanding (MOUs) and memorandums of agreement (MOAs) are often used between various government agencies, use of MOUs or MOAs in MAIT investigations is not feasible. Accordingly, your Committee has amended this measure by:

- (1) Removing the population restriction on the establishment of MAITs, thereby requiring MAITs to be established in the police department of each county;
- (2) Clarifying that the county police departments shall enter into contracts with other state or county agencies or the private sector to obtain the services of personnel necessary to establish MAITs if necessary personnel cannot be found within the ranks of the county police department;
- (3) Clarifying that the county police departments shall establish protocols, as necessary, to coordinate investigations of major accidents with law enforcement and other authorities having jurisdiction over the location of a major accident;
- (4) Changing the appropriation amount to \$1 and making the appropriation applicable to each county's MAIT program; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1549, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representative Har.

**SCRep. 58 Transportation on H.B. No. 362**

The purpose of this bill is to alleviate traffic congestion due to motor vehicle accidents by allowing for the immediate removal of a motor vehicle from the scene of an accident involving only damage to a vehicle or other property.

Your Committee finds that traffic congestion inevitably increases whenever a motor vehicle accident occurs on our roadways. Allowing for the immediate removal of these vehicles under certain circumstances should help alleviate this congestion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 362 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 59 Transportation on H.B. No. 351**

The purpose of this bill is to protect the health, safety, and welfare of the general public by promoting traffic safety. Among other things, this bill:

- (1) Establishes a photo red light imaging detector system program to improve enforcement of traffic-signal laws;
- (2) Allows county implementation of photo red light imaging detector system programs;
- (3) Authorizes fines collected under county-administered programs to be deposited into a general fund account; and
- (4) Authorizes funds from this general fund account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of a photo red light imaging detector system program.

The Department of Transportation, Department of Transportation Services of the City and County of Honolulu, Honolulu Police Department, Hawaii Insurers Council, MADD-Hawaii, State Farm Mutual Automobile Insurance Company, and the Hawaii Bicycling League testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of the measure. The Office of the Public Defender and several concerned individuals opposed the bill. The Judiciary submitted comments.

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. This measure will help curb such dangerous activities in Hawaii and protect the health, safety, and welfare of the people of this state.

However, your Committee notes that it was informed by the counties that county ordinances may have to be adopted to effectively administer the photo red light imaging detector system program.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 351 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 60 International Affairs on H.B. No. 540**

The purpose of this bill is to enable Hawaii to serve as a meeting place where youth from around the world can discuss and learn about major global issues. This bill appropriates funds to establish a Global Youth Center in Hawaii.

The state senator from the 13<sup>th</sup> Senatorial District, Pacific and Asian Affairs Council, The United Nations Association-Hawaii Division, Ke Au Hou, and numerous individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism, the University of Hawaii (UH), and an individual supported the intent of this measure. The East-West Center offered comments.

Your Committee has amended this bill by:

- (1) Designating the East-West Center as the expending agency through UH; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 540, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Mizuno, Shimabukuro and Takai.

**SCRep. 61 International Affairs on H.B. No. 1117**

The purpose of this bill is to oppose the practice of genocide in the Darfur region of Sudan by requiring the Employees' Retirement System to divest itself of investments in companies that support the Sudanese government.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and Hawaii Coalition for Darfur testified in support of this bill.

Your Committee has amended this bill by:

- (1) Adding a defective date of July 1, 2015, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1117, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Mizuno, Shimabukuro and Takai.

**SCRep. 62 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 252**

The purpose of this bill is to increase the conveyance tax rates for speculative sales.

The Trust for Public Land, Sierra Club - Hawaii Chapter, Conservation Council for Hawaii, the Nature Conservancy of Hawaii, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. Wyndham Vacation Ownership, Inc., opposed this measure. The Department of Taxation provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 63 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1847**

The purpose of this bill is to improve the enforcement efforts of the Division of Conservation and Resources Enforcement (DOCARE) of the Department of Land and Natural Resources (DLNR) by:

- (1) Requiring the Department of Public Safety (DPS) and DLNR to enter into a memorandum of agreement for law enforcement personnel of DPS to assist DOCARE in its enforcement efforts according to law; and
- (2) Appropriating funds to enable DOCARE to implement the recommendations made in the Office of the Auditor's report 06-01.

A concerned individual testified in support of this bill. DLNR opposed this measure.

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 to correct certain typographic, technical, and stylistic errors.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your

Committee is in accord with the intent and purpose of H.B. No. 1847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1847, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

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

**SCRep. 64 International Affairs on H.B. No. 1684**

The purpose of this bill is to support international relations by:

- (1) Establishing a position within the Office of International Affairs (OIA) of the Department of Business, Economic Development, and Tourism (DBEDT) to serve as a liaison for the Legislature to assist with visits by foreign delegations;
- (2) Requiring legislative direction for projects undertaken by the liaison; and
- (3) Appropriating funds for the position.

Hawaii Fukuoka Kenjinkai and a concerned individual testified in support of this bill. DBEDT supported the intent of this measure.

A concern was raised that legislative oversight of the projects undertaken by the liaison may be a constitutional concern because of the separation of powers issue between the Legislature and an executive agency.

Accordingly, your Committee has amended this bill by:

- (1) Removing the provision requiring the Legislature to provide direction for projects undertaken by the liaison;
- (2) Clarifying the purposes of the OIA; 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 International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1684, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Green, Mizuno, Takai and Awana.

**SCRep. 65 Higher Education on H.B. No. 194**

The purpose of this bill is to assist the Natural Energy Laboratory of Hawaii Authority (NELHA) in expanding its capability to produce returns through entering into joint ventures with prospective tenants by authorizing it to acquire, hold, and sell qualified securities.

NELHA testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 194 and recommends that it pass Second Reading and be referred to the Committees on Economic Development & Business Concerns and Energy & Environmental Protection.

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

**SCRep. 66 Higher Education on H.B. No. 275**

The purpose of this bill is to protect student-athletes and educational institutions from potentially unfair and deceptive trade practices of athlete agents by regulating the dealings of athlete agents with students regarding agency contracts.

The Uniform Athlete Agents Act, among other things:

- (1) Requires athlete agents to register with the Department of Commerce and Consumer Affairs and to disclose current business information and any negative history such as criminal convictions, disciplinary actions arising out of occupational or professional conduct, and loss of licensure;
- (2) Specifies conditions under which athlete agents may be denied a certificate of registration, or have their certificates suspended or revoked;
- (3) Specifies the elements of an agency contract;
- (4) Requires athlete agents to notify the student's educational institution that the student has entered into an agency contract; and
- (5) Specifies prohibited conduct and classifies such conduct as a misdemeanor.

The University of Hawaii and the Hawaii Commission to Promote Uniform Legislation testified in support of this bill. The Department of Education supported the intent of this measure. DCCA opposed this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 275 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 Berg.

**SCRep. 67 Higher Education on H.B. No. 1288**

The purpose of this bill is to continue to assist and encourage Hawaii's families to set aside funds for future higher education expenses through Hawaii's College Savings Program (Program) by helping to increase participation in the Program, and increasing the Program's assets to command a lower program management fee.

Specifically, this bill provides an income tax deduction for contributions to the Program.

The Department of Budget and Finance, Department of Business, Economic Development and Tourism, Department of Taxation, and Hawaii Association of Independent Schools testified in support of this bill. The Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1288 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Berg.

**SCRep. 68 Higher Education on H.B. No. 681**

The purpose of this bill is to encourage and enable attorneys to serve the low-income community by establishing the University of Hawaii (UH) William S. Richardson School of Law Public Interest Law Loan Repayment Program for eligible, licensed attorneys who practice public interest law in Hawaii.

The Department of the Attorney General, UH William S. Richardson School of Law, Legal Aid Society of Hawaii, Domestic Violence Clearinghouse Legal Hotline, and many concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 681, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 681, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Berg.

**SCRep. 69 Higher Education/Education on H.B. No. 63**

The purpose of this bill is to promote student interest and improve achievement in the fields of science, mathematics, and technology by appropriating funds for the establishment of a full-time robotics education coordinator and part-time equivalent robotics specialists to coordinate robotics education among the University of Hawaii (UH), Department of Education (DOE), and other agencies and organizations in the state.

UH College of Engineering and a few concerned individuals testified in support of this bill. DOE and the Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committees note that DOE respectfully requests one of the positions be placed under DOE to focus on robotics education in the public schools.

Your Committees have amended this bill by:

- (1) Changing the appropriation amounts to \$1 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 Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 63, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 63, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 70 Higher Education/Education on H.B. No. 767**

The purpose of this bill is to continue to encourage students of underrepresented populations to attend college by:

- (1) Requiring the Department of Education (DOE) to provide students who participate in the Running Start Program (Program) with guidance to earn credit toward high school graduation for the satisfactory completion of certain University of Hawaii (UH) courses; and
- (2) Increasing financial support for families of such students who participate in the Program.

UH College of Education and several concerned individuals testified in support of this bill. The Hawaii P-20 Initiative and GEAR UP Hawaii supported this measure with amendments. DOE supported the intent of this bill.

Your Committees have amended this bill by:

- (1) Clarifying that the special fund for the Program is the UH Scholarship and Assistance Special Fund;
- (2) Changing the appropriation amounts to \$1 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 Higher Education and Education 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 referred to the Committee on Finance.

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

**SCRep. 71 Education on H.B. No. 18**

The purpose of this bill is to allow for greater flexibility for the Hawaii Teacher Standards Board (HTSB) by:

- (1) Authorizing HTSB to suspend temporarily its rules, policies, and standards in extenuating circumstances; and
- (2) Authorizing HTSB to amend licensing-related fees and set or amend other charges related to the performance of its duties.

HTSB, the University of Hawaii, and a concerned individual testified in support of this bill. The Department of Education supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 18 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 Shimabukuro and Takamine.

**SCRep. 72 Education on H.B. No. 598**

The purpose of this bill is to enhance the learning experiences of students across the state by creating the Online Learning Task Force (Task Force) to develop a systematic plan to expand opportunities for online learning.

The Department of Education, Myron B. Thompson Academy, and a concerned individual testified in support of this bill.

Your Committee wishes to clarify that the intent of this bill is to include as many stakeholders as possible in the membership of the Task Force. Your Committee also respectfully requests that the membership include an individual involved in the Hawaii Online College Prep Initiative at the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 598 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 Takamine.

**SCRep. 73 Education on H.B. No. 429**

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

The Hawaii Association of Independent Schools and Sacred Hearts Academy testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 429 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 Takamine.

**SCRep. 74 Education on H.B. No. 504**

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

The Hawaii Association of Independent Schools and Le Jardin Academy testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 504 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 Takamine.

**SCRep. 75 Education on H.B. No. 581**

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

The Hawaii Association of Independent Schools and Hanalani Schools testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 581 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 Takamine.

**SCRep. 76 Education on H.B. No. 627**

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

The Hawaii Association of Independent Schools and Hawaii Preparatory Academy testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 627 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 Takamine.

**SCRep. 77 Education on H.B. No. 19**

The purpose of this bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education. Specifically, this bill provides for the timely construction, expansion, consolidation, or closure of public schools in Hawaii through an objective and transparent process that:

- (1) Includes the establishment of a Facilities Alignment Commission (Commission) that shall:
  - (A) Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
  - (B) Recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, that is subject to the review of the Legislature;
- (2) Directs the Board of Education to proceed with the process of constructing, expanding, consolidating, or closing schools according to the recommendations of the Commission, if the Legislature does not disapprove of the recommendations in their entirety;
 

and
- (3) Appropriates funds for the expenses of the Commission.

A concerned individual testified in support of this bill. The Department of Education supported the intent of this measure. The Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Providing the Commission with more flexibility by allowing the criteria it establishes for school alignment to allow the consideration of issues other than those specified in 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 H.B. No. 19, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 19, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 78 Education on H.B. No. 595**

The purpose of this bill is to increase accountability and transparency within the Department of Education (DOE) by appropriating funds to improve its technology systems and infrastructure, including:

- (1) Providing an integrated comprehensive student support system; and
- (2) Expanding the State's high capacity network to accommodate increasing needs in the use of technology in the classrooms.

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

Your Committee has amended this bill by:

- (1) Adding an appropriation of \$1,000,000 for fiscal year 2007-2008 and \$125,000 for fiscal year 2008-2009 for a facilities asset management system to link DOE's facilities inventory with condition assessments, and track and prioritize major and minor repairs to all school facilities;
- (2) Adding an appropriation of \$262,560 for fiscal year 2007-2008 for staff, training, supplies, and equipment for a fee-for-service pilot program with DOE's Office of Technology Services to provide technology assistance to schools, school complexes, and complex areas; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 595, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 79 Human Services & Housing on H.B. No. 103**

The purpose of this bill is to require the Department of Human Services (DHS) to establish a Micro-credit Pilot Program to provide loans to qualified low-income individuals.

DHS, 3Point, the Hawaii Alliance for Community-Based Economic Development, and Hawaii Centers for Independent Living testified in support of this bill.

Your Committee finds that DHS does not have the expertise to administer a loan program and provide some of the services proposed in this measure. There are existing entities in Hawaii that currently administer micro-credit loan programs, but your Committee is taking a cautious approach in requiring DHS to administer such a program without expertise, particularly because federal funds may be involved.

Your Committee respectfully requests that DHS provide an approximate cost for the feasibility study.

Accordingly, your Committee has amended this bill by:

- (1) Requiring DHS to conduct a feasibility study of implementing a Micro-credit Loan Program instead of requiring a pilot program;
- (2) Requiring DHS to also consult with DHS's Vocational Rehabilitation and Services for the Blind Division, and Maui Economic Opportunity and other local agencies with experience in micro-credit programs;
- (3) Changing the appropriation to expend Federal Temporary Assistance for Needy Families program funds instead of general funds; and
- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 103, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 80 Human Services & Housing on H.B. No. 734**

The purpose of this bill is to encourage landowners to convey their fee interests to lessees by providing fee owners of multi-family residential leasehold property with the opportunity to exclude from their taxable income, 100 percent of the capital gains realized from the sale of the leased fee interest:

- (1) To the lessee of a residential house lot; or
- (2) To the lessee, association of apartment owners, or residential cooperative corporation of a multi-family residential leasehold unit,

for a limited time, up to an aggregate of \$800,000 for all taxpayers per tax year.

The Hawaii Association of REALTORS, the Hawaii Legislative Action Committee of the Community Associations Institute, and the Hawaii Independent Condominium & Cooperative Owners testified in support of this bill. The Hawaii Council of Associations of Apartment Owners supported the intent of this measure. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii and Monarch Properties provided comments.

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

- (1) Deleting the exemptions for:
  - (a) The sale of leased fee interests in residential house lots; and
  - (b) The sale of leased fee interests in multi-family residential leasehold units to lessees of the units;
- (2) Removing the aggregate cap of \$800,000 on the exemption; and
- (3) Extending the number of applicable tax years from two to five years.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 734, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Bertram and Awana.

**SCRep. 81 Labor & Public Employment on H.B. No. 852**

The purpose of this bill is to allow all elective officers who attain the age of 65 to retire and receive a service retirement allowance while continuing to fill their elective position.

The Chair of the City Council of the City and County of Honolulu; Chair of the Kauai County Council; several members of the City Council of the City and County of Honolulu, Hawaii County Council, and Maui County Council; Hawaii State Teachers Association; and an individual testified in support of this bill. The Department of Budget and Finance did not support this measure. The Employees' Retirement System submitted comments.

Currently, only members of the Legislature are eligible to retire and receive a pension while continuing to fill elective office if they reach the age of 65. Your Committee believes in parity for all elected officials and that granting this benefit to all elected officials promotes fairness.

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

Signed by all members of the Committee except Representative McKelvey.

**SCRep. 82 Legislative Management on H.B. No. 1672**

The purpose of this bill is to improve the ability of the legislative service agencies to hire and retain the most qualified individuals for the critical position of first assistant or first deputy in those agencies. This bill increases the maximum salary payable to the first assistant or first deputy in the Office of the Auditor, the Legislative Reference Bureau (LRB), and the Office of the Ombudsman from not more than 87 percent to not more than 92 percent of the salary of the respective agency's director.

The Auditor, LRB, and Ombudsman testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1672 and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative B. Oshiro.

**SCRep. 83 Legislative Management on H.B. No. 896**

The purpose of this bill is to simplify video broadcasts of legislative proceedings by appropriating an unspecified sum to wire all state capitol conference rooms used for public hearings, the capitol auditorium, and both legislative chambers.

Olelo Community Television and The League of Women Voters testified in support of this bill.

Permanent wiring would enhance production appearance and create a safer environment by eliminating temporary wires that can obstruct legislators, testifiers, and visitors.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 896 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative B. Oshiro.

**SCRep. 84 Legislative Management on H.B. No. 750**

The purpose of this bill is to facilitate the investigations of the Office of the Ombudsman by authorizing the Ombudsman or an authorized representative to access tax returns and return information in connection with the Ombudsman's official duties, including the administrative acts of agencies.

The Ombudsman testified in support of this bill. The Department of Taxation opposed this measure, and the Tax Foundation of Hawaii offered comments.

Although the Governor vetoed a similar bill in 2006 because of concerns over confidentiality of a taxpayer's tax returns, your Committee notes that the Ombudsman is statutorily required to maintain confidentiality in investigations pursuant to section 96-9, Hawaii Revised Statutes. Your Committee concurs that allowing the Office of the Ombudsman to obtain tax return information is needed to investigate complaints received about an agency's administrative acts.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 750 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative B. Oshiro.

**SCRep. 85 Transportation on H.B. No. 435**

The purpose of this bill is to promote traffic safety by requiring mopeds to:

- (1) Be inspected annually;
- (2) Display a certificate of inspection; and
- (3) Be operated with an exhaust system that meets the original manufacturer's specifications.

Citizens Against Noise and an individual testified in support of this bill. Cycle Imports Hawaii opposed this measure.

Currently, mopeds do not need to possess a certificate of safety inspection to be ridden on Hawaii's roadways and moped noise as a result of modified exhaust systems continues to be a problem despite statutes governing moped noise levels. Your Committee finds that requiring mopeds to be inspected annually and to be equipped with exhaust systems meeting the original manufacturer's specifications will ensure that safer mopeds will be operating on Hawaii's roadways and will also help alleviate moped noise.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 435 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 86 Transportation on H.B. No. 352**

The purpose of this bill is to protect the health, safety, and welfare of the general public by promoting traffic safety. Among other things, this bill:

- (1) Establishes a photo speed imaging detector system program to improve enforcement of speed limits;
- (2) Allows county implementation of a photo speed imaging detector system program in areas where excessive speeding has been found to be a problem;
- (3) Authorizes fines collected under county-administered programs to be deposited into a general fund account; and
- (4) Authorizes funds from this general fund account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of a photo speed imaging detector system program.

The Department of Transportation, Department of Transportation Services of the City and County of Honolulu, Honolulu Police Department, MADD-Hawaii, the Hawaii Bicycling League, and an individual testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of the measure. The Office of the Public Defender and several concerned individuals opposed this bill. The Judiciary submitted comments.

The prevalence of drivers violating Hawaii's speeding 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. Speeding, especially excessive speeding, contributes to the frequency and severity of motor vehicle crashes since motorists have less time to react and stop. Too many tragedies on Hawaii's roadways, many of them recent ones, have been attributed to excessive speeding and racing. This measure will help curb such dangerous activities in Hawaii and protect the health, safety, and welfare of the people of this state.

Your Committee notes that it was informed by the counties that county ordinances may have to be adopted to effectively administer the speed imaging detector system program.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 352 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 87 Transportation on H.B. No. 356**

The purpose of this bill is to protect children and improve vehicle safety by establishing a traffic violation for leaving a child unsupervised in a motor vehicle. Specifically, this bill:

- (1) Prohibits leaving a child under the age of nine in a motor vehicle unless supervised by an adult or a minor who is at least 15 years of age;
- (2) Allows law enforcement, firefighter, or rescue team personnel to use whatever means reasonably necessary to protect the child or others and to remove the child from the motor vehicle;
- (3) Provides immunity from any civil action relating to good faith acts by law enforcement officers, firefighters, and rescue team personnel to remove an unsupervised child from a motor vehicle in a dangerous situation;
- (4) Requires driver's license examinations to test the applicant's knowledge of the new traffic violation for leaving a child unsupervised in a motor vehicle; and
- (5) Requires rental motor vehicle lessors to notify lessees of the motor vehicle laws regarding leaving a child unsupervised in a motor vehicle.

The Department of the Prosecuting Attorney for the City and County of Honolulu, Hawaii Family Forum, Healthy Mothers, Healthy Babies Coalition of Hawaii, and a concerned individual testified in support of this bill. The Department of Human Services (DHS) supported the intent of this measure. The Office of the Public Defender opposed this bill.

Each year a significant number of children are left unattended in vehicles. Hawaii has had its share of cases in which children are left alone in a vehicle for prolonged periods of time. Unfortunately, the consequences of such an action can be devastating. In 2003, the Center for Disease Control reported that nationwide, between July 2000 and June 2001, an estimated 9,160 non-fatal injuries and 78 fatal injuries occurred as a result of children 14 years old or younger being left unattended in a motor vehicle. Your Committee finds this to be unacceptable and strongly believes that the children of Hawaii must be protected from these senseless acts.

However, your Committee does understand the concern raised by DHS that current law only allows a police officer to assume custody of a child and transfer custody to DHS personnel without a court order or without family consent. Accordingly, your Committee has amended this measure by:

- (1) Requiring firefighters and rescue team personnel to immediately notify a police officer upon removing a child from a vehicle if no officer is present; and



- (2) Clarifying that the police officer will assume custody of the child upon removal of the child from the motor vehicle; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 356, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 88 Transportation on H.B. No. 657**

The purpose of this bill is to ease the strain placed on facilities used to store abandoned vehicles by allowing public auction requirements to be waived when the vehicle's:

- (1) Major components are missing; or
- (2) Damage renders it inoperable; and
- (3) Registration period has expired.

A member of the Hawaii County Council, the Department of Customer Services of the City and County of Honolulu, and the Windward Ahupua'a Alliance testified in support of this bill.

Due to the number of abandoned vehicles removed from our islands' roads each day and the lengthy notice and public auction requirements currently established for the disposal of these vehicles, tow companies are experiencing shortages of valuable storage space. Your Committee finds that waiving the public auction requirements under certain conditions will result in a more expeditious removal of abandoned vehicles from storage facilities and that this measure continues to preserve a motor vehicle owners rights by continuing to require public notice of the vehicle's disposal.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 657 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 89 Transportation on H.B. No. 895**

The purpose of this bill is to provide the counties and tow companies with the tools necessary to take custody and properly dispose of abandoned vehicles in a more efficient manner. Specifically, this measure:

- (1) Allows counties to increase registration fees and thereby increase deposits into the highway beautification and disposal of abandoned or derelict vehicles revolving fund to defray costs associated with the storage of abandoned or derelict vehicles;
- (2) Increase towing, storage and overtime fees that towing companies are currently allowed to charge;
- (3) Decrease the number of days in which the owner of the towed motor vehicle must be notified and
- (4) Decreases the number of days the owner of a towed motor vehicle is allowed to recover the vehicle before it is deemed abandoned.

A member of the Hawaii County Council, Kitagawa's Towing, Hawaii State Towing Association, Waialae Tow Service, and several concerned tow company owners and individuals testified in support of this bill. Catrala-Hawaii supported the intent of the measure. The Hawaii Automobile Dealers Association opposed this measure.

Abandoned and derelict motor vehicles mar the beauty of Hawaii's landscape and, at times, create unsafe situations on our roadways. While the counties and tow companies work diligently to remove these vehicles in a timely manner, increases in the number of abandoned vehicles, along with a lengthy notification process which sometimes takes upwards of three months, and increased operational and storage costs has caused many tow companies to face financial hardship.

While this bill will help ease the financial burden on tow companies, your Committee is cognizant of the fact that requiring an owner to recover their vehicle within ten days after notification of their vehicle being towed is unrealistic. Accordingly, your Committee has amended this measure by reinserting language that allows the owner of a towed motor vehicle thirty days to recover the vehicle before it is deemed abandoned.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 90 Transportation on H.B. No. 416**

The purpose of this bill is to expedite needed safety and customer service improvements at Hawaii's airports by exempting structures and improvements to land used for airport purposes from:

- (1) Special management area permitting requirements; and
- (2) Approval of county agencies.

Airlines Committee of Hawaii, Hawaii Fueling Facilities Corporation, United Airlines, and Catrala-Hawaii testified in support of this bill. The Chair of the Maui County Council opposed this measure. The Department of Transportation submitted comments.

Unlike Honolulu International Airport, all neighbor island airports require county approval for construction projects, regardless of whether these are minor or major projects. Your Committee notes that the permitting process for the special management areas that encompass these airports is lengthy and often results in significant delays in improvements to many of the airport facilities. Elimination of county approval requirements for structures and improvements to land used for airport purposes will result in more expeditious upgrades and improvements to neighbor island airport facilities.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 416 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 91 Higher Education/Education on H.B. No. 1530**

The purpose of this bill is to encourage college students to become educators and educational assistants and to ensure that these graduates work in our public schools by:

- (1) Establishing the Educator and Educational Assistant Loan Forgiveness Program to provide financial support to:
  - (a) Teachers who complete a state-approved teacher education program; and
  - (b) Educational assistants who complete a state- approved educational assistant certification training program, and agree to teach in the Hawaii public school system at a school located in a rural area; and
- (2) Establishing the Hawaii Educational Assistant Loan Program to provide financial support to students who complete a state-approved educational assistant certification training program and agree to serve as an educational assistant in the Hawaii public school system.

The University of Hawaii and Department of Education (DOE) supported the intent of this bill. The Department of Budget and Finance opposed this measure.

Your Committees note that DOE has suggested amendments to the bill, and respectfully request that the Committee on Finance incorporate the amendments, as follows:

- (1) Require a financial institution within the state, rather than DOE itself, to administer the Educator and Educational Assistant Loan Forgiveness Program and to work in partnership with DOE to ensure a fair selection process; and
- (2) Verify the program that educational assistants must complete, since a state-approved educational assistant certification training program does not exist.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1530 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 92 Health/Human Services & Housing on H.B. No. 7**

The purpose of this bill is to expand access to affordable prescription drugs by requiring the Governor to enter into a written agreement that allows Hawaii residents to participate in the I-SaveRx prescription drug program.

ILWU Local 142 and the Kokua Council testified in support of this bill. The Department of Human Services supported the intent of this measure. The Consumer Lawyers of Hawaii and the Pharmaceutical Research and Manufacturers of America testified in opposition to this bill.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 7 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 Bertram, Takai and Tokioka.

**SCRep. 93 Health/Human Services & Housing on H.B. No. 12**

The purpose of this bill is to improve access to prescription medication by, among other things:

- (1) Requiring the Director (Director) of the Department of Human Services (DHS) to establish a Pharmacy Best Practices and Cost Control Program (Program) designed to reduce the cost of providing prescription drugs while maintaining high quality in prescription drug therapies. The program includes:
  - (A) A Preferred Drug List (Drug List) that identifies preferred choices within therapeutic classes;
  - (B) A process to authorize pharmacy benefits to a patient who has been prescribed drugs that are not on the Drug list and a prior authorization process therefore; and
  - (C) Authorization for the Director to contract with a party having expertise in the management of pharmacy benefits;
- (2) Establishing the Drug Utilization Review Board to review and recommend potential prescription medications to include in a Drug List;
- (3) Directing the Director, separately or in concert with participating health benefits plans, using the Drug List, to negotiate supplemental rebates, price discounts, and other price-reducing mechanisms with pharmaceutical manufacturers to reduce the cost of drugs;
- (4) Requiring the implementation of a Pharmacy Discount Plan by July 1, 2008, for state residents who do not have adequate coverage for prescription drugs; and
- (5) Requiring pharmaceutical manufacturing companies to disclose to the Board of Pharmacy, gifts, fees, payments, and subsidies, or other economic benefits in connection with detailing, promotional, or other marketing activities by the company to physicians, hospitals, nursing homes, pharmacists, health plan administrators, or others who are authorized to prescribe, dispense, or sell prescription drugs in the state (Pharmaceutical Marketers Disclosure).

The Kokua Council supported this bill. DHS supported the intent of this measure. The Pharmaceutical Research and Manufacturers of America opposed this bill. The Office of Information Practices submitted comments on this measure.

Your Committees have amended this bill by:

- (1) Deleting the substantive provisions of this bill except the pharmaceutical marketers disclosure requirements; 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 & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 12, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 12, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Bertram, Takai and Tokioka.

**SCRep. 94 Health on H.B. No. 1047**

The purpose of this bill is to include marriage and family therapy among the mental illness, alcohol, and drug dependence benefits required within the hospital and medical coverage offered under accident and sickness insurance policies and similar insurance products.

The Hawaii Psychological Association, the Bobby Benson Center, and a voluminous number of concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA), Mental Health America of Hawaii, and a concerned individual provided comments.

Your Committee has amended this bill by requiring DCCA to submit reports to the 2010, 2013, and 2016 Legislatures on the economic impacts of providing insurance coverage for marriage and family therapists, as required by 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 H.B. No. 1047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1047, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 95 Health on H.B. No. 1474**

The purpose of this bill is to:

- (1) Ensure a healthy and balanced health care insurance marketplace; and
- (2) Allow equal opportunities for growth and success among insurers

by eliminating the premium tax on health insurers of prepaid health care plan contracts.

Summerlin Life and Health Insurance Company supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. Kaiser Permanente and AlohaCare opposed this bill. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Requiring that an authorized insurer must demonstrate a sufficient level of mutual benefit of public good as is required of a nonprofit insurer; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1474, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 96 Health on H.B. No. 1699**

The purpose of this bill is to provide survivors of traumatic brain injury the opportunity to lead full lives, by requiring insurers, hospital and medical service plans, and health maintenance organizations to provide rehabilitation coverage for survivors of brain injuries, including cognitive and neurocognitive therapy, neurobehavioral and neuropsychological testing or treatment, and necessary post-acute transition services or community reintegration services.

The Hawaii Disability Rights Center and numerous concerned individuals testified in support of this bill. The Department of Health, Hawaii Medical Service Association, and Hawaii Association of Health Plans provided comments.

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

- (1) Requiring the Department of Commerce and Consumer Affairs to report to the 2008 Legislature on the economic impact of the expanded medical coverage required by this bill; and
- (2) Inserting a sunset date of July 1, 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 H.B. No. 1699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1699, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 97 Energy & Environmental Protection on H.B. No. 653**

The purpose of this measure is to provide for the preparation of a supplemental environmental impact statement when:

- (1) There are changes proposed in a project;
- (2) Substantial changes occur with respect to circumstances under which a project is being undertaken; or
- (3) New information becomes available that was not known at the time the environmental impact statement was accepted.

Your Committee notes that there have been proposals for the repeal or expiration of an environmental impact statement following the passage of a certain number of years if a project is not undertaken within that time. Your Committee finds that such a dated expiration provision would be arbitrary in determining the duration prior to the expiration of the environmental impact statement and in the actual application of such a provision on a project. Accordingly, your Committee finds that this measure requires the preparation of a supplemental statement based not on an arbitrary passage of a time certain, but on substantial changes in a project, substantial changes in its surrounding circumstances, or new information that was not known at the time the environmental impact statement was accepted.

Your Committee received testimony in support of this measure from the Conservation Council for Hawaii, Na Leo Pohai, and several individuals. The Land Use Research Foundation submitted testimony in opposition to this measure. The Attorney General and the Office of Environmental Quality Control submitted comments.

Your Committee has amended this measure by:

- (1) Deleting references to environmental impact reports and inserting environmental impact statements;
- (2) Clarifying that environmental impact statements are "accepted" and not "certified as complete";
- (3) Adding a definition of "substantial changes";
- (4) Amending section 343-5(g) to conform to the new section provided in this measure; and
- (5) Making technical nonsubstantive changes for purposes of style and clarity.

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. 653, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 653, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 98 Energy & Environmental Protection on H.B. No. 704**

The purpose of this bill is to protect the agriculture sector in Hawaii, the State's precious native ecosystems, and the biodiversity of Hawaii's sensitive island environment from the potential and unforeseen effects of testing or cultivating genetically modified coffee and taro in the State.

Specifically, this bill imposes a ten-year moratorium on testing, propagating, cultivating, raising, and growing of genetically modified coffee and taro in the State. This bill also defines the terms "genetically modified" and "recombinant DNA technology".

Your Committee finds that the use of genetically modified taro is assumed to benefit taro farmers and the taro growing industry in the State. However, your Committee further finds that many taro farmers do not agree with this assumption and have not requested assistance or sought solutions to maintaining or improving taro crops using methods involving genetically modified taro.

Rather than expending scarce resources on the testing of genetically modified taro and its cultivation, your Committee believes that it would be more appropriate for those resources to be used for research, study of invasive species, and soil management that will more effectively help to strengthen the taro growing industry in Hawaii.

Finally, your Committee finds that the issue of genetically modified coffee will be addressed separately in another measure.

Accordingly, your Committee has amended this bill by:

- (1) Adding language to further clarify the purpose of this bill;
- (2) Deleting genetically modified coffee from the ten-year moratorium; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 704, H.D. 1, and be referred to the Committee on Agriculture.

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

**SCRep. 99 Energy & Environmental Protection on H.B. No. 1577**

The purpose of this bill is to prohibit, for a period of five years, genetically modified coffee in Hawaii, except for research in environmentally secure facilities, and to provide penalties for violations.

Currently, genetically modified coffee is not regulated in Hawaii and subject only to federal regulation. The Kona coffee industry contributes significantly to the economic and cultural vitality of Hawaii. There is a strong desire to maintain the unique brand identity and the market price of Kona coffee, which is a highly regarded specialty coffee. There is substantial concern that permitting genetically modified coffee in the Hawaii market will lead to a substantially reduced market price and erode the niche that Kona coffee, as a specialty coffee, enjoys.

This bill would make genetically modified coffee illegal in Hawaii except for certain research purposes and provide for penalties for violations. These measures would protect the Kona coffee industry, and Kona coffee farmers in particular, support Kona coffee's status as a specialty coffee, and permit a five-year period to evaluate the importance and the extent of research of genetically modified coffee under state regulation.

Your Committee finds, however, that because reasonable and workable rules regarding research on genetically modified coffee have yet to be established, there is significant uncertainty as to when a violation would occur.

Accordingly, your Committee has amended this bill by removing the provision that provided for civil liability for damages that result from genetically modified coffee, and by making a technical nonsubstantive change.

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. 1577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1577, H.D. 1, and be referred to the Committee on Agriculture.

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

**SCRep. 100 Economic Development & Business Concerns on H.B. No. 317**

The purpose of this bill is to increase business' ability to efficiently and cost-effectively contract out payroll and payroll-related functions to a professional employment organization (PEO), and protect employees by:

- (1) Allocating responsibility between a PEO and their client company for the labor law rights and tax reporting and withholding of employees assigned to the client company;
- (2) Exempting a PEO from the general excise tax (GET) on amounts received from a client company that are disbursed for wages, salaries, payroll taxes, and employment benefits for employees assigned to the client company; and
- (3) Rendering the exemption inapplicable if assigned employees are excluded from any employee rights or benefits required by law, or the PEO fails to pay any assigned employee tax withholding for which the organization is responsible.

KilaKila Employer Services provided testimony in support of this bill. The Tax Foundation of Hawaii commented.

Your Committee finds that PEOs handle payroll and payroll related functions for their client companies, which reduces overhead costs for their clients. Double taxation occurs when the PEO is taxed on amounts it receives from its client company that it disburses for the wages, salaries, payroll taxes and benefits of employees assigned to the client company. These moneys are a reimbursement to the PEO, and the client company has already paid the GET on those moneys. This double taxation makes it more costly to do business in Hawaii and discourages growth of the PEO industry.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 317, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 101 Economic Development & Business Concerns on H.B. No. 1057**

The purpose of this bill is to deter minors from using tobacco products by:

- (1) Making it unlawful for a minor to possess or use any tobacco product;
- (2) Adding an exception for minors who are delivering tobacco for their employer's lawful business; and
- (3) Subjecting repeat offenders to discretionary rather than mandatory community service.

The Attorney General and a concerned individual supported the bill. Legislative Information Services of Hawaii supported the intent of the bill. The Department of Health and Coalition for a Tobacco Free Hawaii opposed the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1057 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 102 Economic Development & Business Concerns on H.B. No. 963**

The purpose of this bill is to provide for fairer contracts between the government and architects, engineers, surveyors, or landscape architects, by prohibiting provisions in these contracts that require the contractor to defend the governmental body against any liability, damage, or loss.

Testimony in support of the bill was submitted by the American Council of Engineering Companies of Hawaii, American Institute of Architects/Hawaii State Council, Masa Fujioka & Associates, Akinaka & Associates, Ltd., Gray, Hong, Nojima & Associates, Cedric D. O. Chong and Associates, Finance Insurance, Ltd., Sam O. Hirota, Inc., Engineering Solutions, Inc., Limtiaco Consulting Group, Fukunaga & Associates, Inc., Consulting Structural Hawaii, Inc., Austin, Tsutsumi & Associates, Inc., and Coalition of Hawaii Engineering and Architectural Professionals. The Department of the Attorney General opposed the bill and proposed amendments.

Your Committee finds that the requirement to defend the government discourages small businesses, in particular, from taking on government contracts. Your Committee has amended this bill as suggested by the Attorney General, by:

- (1) Exempting government contracts under \$1,000,000 with architects, engineers, surveyors, or landscape architects, from the requirement that the contractor defend the governmental body against all liability;
- (2) Reserving the right of the governmental body to contractually require indemnification from the contractor against all liability; and
- (3) Removing provisions that may have been interpreted to apply the bill to contracts that have already been executed.

Your Committee notes that according to the Department of Transportation, in fiscal year 2005, there were five contracts over \$1,000,000 with architectural and engineering firms.

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. 963, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 963, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ching.

**SCRep. 103 Economic Development & Business Concerns on H.B. No. 1058**

The purpose of this bill is to amend sanctions for minors and persons under age 21 who try to gain access to or possession of liquor by:

- (1) Prohibiting persons less than 21 years of age from using a false ID to enter premises that exclude persons under age 18 or 21;
- (2) Decriminalizing the laws prohibiting persons less than 21 years of age from purchasing, possessing, or consuming liquor or using a false ID;
- (3) Adopting administrative procedures allowing non-criminal offenses to be treated as traffic infractions; and

- (4) Allowing all persons under age 21 purchasing, possessing, and consuming liquor or using a false ID to be fined as an alternative to a license suspension, community service, and alcohol education and counseling.

Legislative Information Services of Hawaii supported this bill. The Office of the Lieutenant Governor, State Attorney General, Honolulu Liquor Commission, Honolulu Prosecuting Attorney, Mothers Against Drunk Driving – Hawaii, and Coalition for a Drug-Free Hawaii opposed the bill.

Your Committee finds that this bill provides sentencing alternatives designed to address the disproportionate impact of the license suspension penalty on persons under age 21 who live on islands other than Oahu, which lack adequate public transportation systems. Your Committee has amended this bill to restrict it more closely to its purpose, and to ensure that all persons violating these liquor laws are subject to community service and counseling, by:

- (1) Reinstating the petty misdemeanor penalty for the purchase, possession, or consumption of liquor or the use of a false ID by persons over age 18 and under age 21;
- (2) Removing the provisions allowing non-criminal offenses under Chapter 281, HRS, to be treated as traffic infractions;
- (3) Allowing fines as an alternative to license suspension only in counties with a population of under 500,000 residents; and
- (4) Reinstating the penalties of community service and alcohol education and counseling for all persons under 21 years of age who purchase, possess, or consume liquor or use a false ID.

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. 1058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1058, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ching.

**SCRep. 104 Economic Development & Business Concerns on H.B. No. 1432**

The purpose of this bill is to take the first steps toward providing everyone in Hawaii affordable access to the opportunities afforded by the Internet by establishing a task force to study the feasibility of creating a statewide wireless access program.

The Cable Television Division of the Department of Commerce and Consumer Affairs and a concerned individual supported this measure. Hawaiian Telcom offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1432, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1432, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Ching.

**SCRep. 105 Economic Development & Business Concerns on H.B. No. 318**

The purpose of this bill is to improve government and business efficiency by establishing an administrative rules review pilot program under which the Department of Commerce and Consumer Affairs (DCCA) would examine its rules and begin the process of repealing obsolete, cumbersome, unnecessary, or overly restrictive rules.

DCCA commented on this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

**SCRep. 106 Economic Development & Business Concerns on H.B. No. 687**

The purpose of this bill is to provide an alternative to the corporate model that would allow better representation of the public interest by creating a task force to recommend the best ways of establishing this alternative model in the law.

Natural Investment Services, Inc., Inner Ocean Publishing, Inc., and three concerned individuals supported this measure. The Business Registration Division of the Department of Commerce and Consumer Affairs and the Chamber of Commerce of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 687, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching. (Representative Marumoto voted no.)

**SCRep. 107 Health on H.B. No. 875**

The purpose of this bill is to effectuate its title.

H.B. No. 875 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 875, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 875, H.D. 1.

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

**SCRep. 108 Higher Education on H.B. No. 1529**

The purpose of this bill is to honor Senator Hiram L. Fong and Senator Oren E. Long, and provide financial support to selected students, by establishing, in the senators' names, two scholarship programs and endowments that are to be administered by the University of Hawaii.

A member of the City Council of the City and County of Honolulu and a concerned individual testified in support of this bill. The University of Hawaii (UH) supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Specifying that both scholarship programs are to be funded with proceeds from endowment trusts that shall receive initial funding by appropriations out of the general revenues of the State;
- (2) Changing the appropriations accordingly, so that the appropriations are not deposited with the UH Foundation as endowments for the scholarships, but directed to UH to establish endowment trusts with an appropriate financial institution, the proceeds from which shall fund the scholarships;
- (3) Deleting the appropriation out of the UH Scholarship and Assistance Special Fund for the Senator Hiram L. Fong Scholarship Program; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1529, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 109 Higher Education/Agriculture on H.B. No. 935**

The purpose of this bill is to further develop the potential of the aquaculture industry in Hawaii by appropriating funds to pay for the increased costs of, and attract federal funding for, statewide technical assistance provided to the aquaculture industry through the University of Hawaii (UH) Sea Grant Extension Service.

The Maui Community College Agriculture Program, Kamehameha Schools Maui Campus, Hawaii Aquaculture Association, Aquatic Innovations, Rain Garden Ornaments, Pacific Aquaculture and Biotechnology LLC, and a concerned individual testified in support of this bill. The Department of Agriculture and UH Sea Grant College Program supported the intent of this measure.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 935, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Herkes, Manahan, Shimabukuro, Takumi, Ching and Finnegan.

**SCRep. 110 Human Services & Housing on H.B. No. 1536**

The purpose of this bill is to help determine whether to renovate or replace older public housing projects. This bill directs the Hawaii Public Housing Authority (HPHA) to:

- (1) Place a one-year moratorium on the demolition of public housing projects; and
- (2) Identify, among other things, projects scheduled for demolition, the cost of recent pending demolitions, and the estimated cost of new projects.

Kokua Council testified in support of this bill. HPHA offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1536 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 111 Human Services & Housing on H.B. No. 1762**

The purpose of this bill is to expedite the repair and renovation of public housing projects by authorizing the Hawaii Public Housing Authority (HPHA) to contract with nonprofit organizations or use qualified inmates from the Department of Public Safety for such work. This bill also requires the Director of Public Safety to partner with HPHA to use inmates for this repair and renovation work.

HPHA, Kokua Council, and three individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the unnecessary provisions requiring the Director of Public Safety to work with HPHA, since this is already being done; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors and for consistency.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1762, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 112 Human Services & Housing on H.B. No. 101**

The purpose of this bill is to assist low-income families with first-time home purchases by providing financial assistance to low-income first-time homebuyers of single-family housing under the Individual Development Accounts program or forgivable loans up to a certain percentage of the loan value.

The bill also repeals the five-year limitation on direct state funding to fiduciary organizations under the Individual Development Accounts program.

3Point, Hawaii Alliance for Community-based Economic Development, and Hawaii Centers for Independent Living testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure.

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

- (1) For financial assistance to low-income, first-time homebuyers of single-family housing under the Individual Development Accounts program or forgivable loans up to a certain percentage of the loan value; and
- (2) Repealing the five-year limitation on direct state funding to fiduciary organizations,

with an appropriation for counties to provide forgivable loans at interest rates similar to the federal Housing and Urban Development's HOME Investment Partnership Program to cover the closing costs of a home purchase, up to a maximum amount of \$10,000.

Your Committee notes that it may be wise to keep statistics on the number of program participants who are persons with disabilities, as statistics show that a disproportionate number of persons who are poor are also disabled.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 101, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 113 Human Services & Housing on H.B. No. 472**

The purpose of this bill is to promote asset-building by improving provisions relating to individual development accounts (IDAs), including:

- (1) Specifically allowing IDA funds to be used for the purchase of a motor vehicle for transportation to school or work;
- (2) Requiring the State to provide technical and administrative assistance to fiduciary organizations in administering IDAs;
- (3) Allowing the State to use federal funds, including Temporary Assistance for Needy Families (TANF) funds, for IDAs;
- (4) Removing the five-year limitation on State grants for IDAs;
- (5) Increasing from ten to 25 percent, the amount of State funds that fiduciary organizations may use to cover administrative costs for administering IDAs; and
- (6) Appropriating \$2,000,000 in general funds to administer IDAs.

3Point, the Hawaii Alliance for Community-Based Economic Development, Aloha United Way, Hawaii Centers for Independent Living, and a concerned individual testified in support of this bill. The Department of Human Services (DHS) provided comments.

Your Committee recognizes the need for asset-building and self-sufficiency, and respectfully requests DHS to provide information on other states' experiences with IDAs. Additionally, a concern was raised that allowing a motor vehicle as a "qualified expense" may open the State to liability, and your Committee respectfully requests a formal opinion by the Attorney General on this matter.

Your Committee has amended this bill by:

- (1) Adding associated motor vehicle fuel and insurance costs as qualified expenditures;
- (2) Specifying the Department of Business, Economic Development, and Tourism as the agency to provide technical and administrative assistance to fiduciary organizations;
- (3) Removing the \$100,000 annual cap on IDA grants to qualified entities;
- (4) Changing the appropriation from general revenues to TANF funds; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 472, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.



**SCRep. 114 Human Services & Housing on H.B. No. 926**

The purpose of this bill is to promote the development of affordable housing through community land trusts (CLTs) by:

- (1) Allowing CLTs to be eligible for land grants and state subsidies or funds;
- (2) Defining "community land trust"; and
- (3) Authorizing the Rental Housing Trust Fund (RHTF) to be used for CLT developments, including non-traditional structures such as plantation homes, eco-villages, trailer parks, and developments incorporating indigenous Hawaiian architecture.

Na HALE O Maui and several concerned individuals testified in support of this bill. The Hawaii Housing Finance and Development Corporation supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "community land trust" by referencing the definition of CLTs in the Cranston-Gonzalez National Affordable Housing Act;
- (2) Specifying that the RHTF funds for CLTs are for rental developments;
- (3) Removing trailer parks as a type of development a CLT may develop using RHTF funds;
- (4) Removing the requirement that the CLT must qualify for the expedited permitting process to qualify for RHTF funds; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 926, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 115 Human Services & Housing on H.B. No. 1356**

The purpose of this bill is to expand post-secondary education opportunities for former foster youth by:

- (1) Increasing to 21 years of age, the time limit for an application for a higher education board allowance;
- (2) Providing former foster youth who are between the ages of 22 and 26 years of age on July 1, 2007, and who are already attending a higher education institution, the opportunity to apply for a higher education board allowance within a year;
- (3) Increasing from 21 to 26 years of age, the maximum age for the benefit;
- (4) Extending to 60 months, the maximum benefit length; and
- (5) Appropriating \$287,247 in fiscal year 2007-2008 and \$349,140 in fiscal year 2008-2009 to provide higher education board allowances for eligible former foster youth.

The Department of Human Services, Hawaii Youth Services Network, Legal Aid Society of Hawaii, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaii Foster Youth Coalition, and several concerned individuals 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1356, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Belatti, Bertram and Awana.

**SCRep. 116 Human Services & Housing on H.B. No. 1244**

The purpose of this bill is to comply with federal requirements by requiring the Child Support Enforcement Agency to impose an annual fee of \$25 for child support enforcement services furnished in cases where:

- (1) The custodial parent has never received public assistance for the support of a child; and
- (2) On behalf of the custodial parent, the State has collected at least \$500 in child support.

The Attorney General supported this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1244 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Bertram and Awana.

**SCRep. 117 Human Services & Housing on H.B. No. 486**

The purpose of this bill is to modify the procedure for the Hawaii Housing Finance and Development Corporation (HHFDC) to develop housing projects that are exempt from various land use and construction statutes, ordinances, and rules by:

- (1) Limiting the projects to units that are affordable to households with incomes at or below 140 percent of the median family income; and
- (2) Providing the county legislative body and the Land Use Commission with the option of approving the projects with modifications.

The HHFDC supported the intent of this bill. The City and County of Honolulu's Department of Community Services and the County of Hawaii's Office of Housing and Community Development opposed this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 486 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 118 Human Services & Housing on H.B. No. 1844**

The purpose of this bill is to preserve the inventory of affordable rental housing on Oahu including such housing for persons at lower income levels by:

- (1) Directing the Hawaii Housing Finance and Development Corporation (HHFDC) to negotiate with Kamehameha Schools for State acquisition of the property underlying the Kulana Nani apartments in Kaneohe, Oahu;
- (2) Authorizing HHFDC, if necessary, to acquire the property through its power of eminent domain; and
- (3) Appropriating an unspecified sum for land acquisition.

The City and County of Honolulu's Department of Community Services supported the intent of this measure. HHFDC offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1844 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 119 Human Services & Housing on H.B. No. 99**

The purpose of this bill is to require the Department of Human Services (DHS) to offer financial education to individuals who are recipients of, or applicants for, the Temporary Assistance to Needy Families program (TANF) to improve and enhance their ability to plan for their financial future. In addition, this bill appropriates general funds to pay for financial education services.

3Point, Hawaii Alliance for Community-Based Economic Development, Hawaii Centers for Independent Living, and a concerned individual supported this bill. DHS offered comments.

Your Committee notes that testimony received from DHS indicated that federal TANF funding may be used to provide financial education services.

Accordingly your Committee has amended this measure by:

- (1) Changing the means of financing from general funds to federal TANF funds for the appropriation; 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 99, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 99, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 120 International Affairs on H.B. No. 1025**

The purpose of this bill is to promote youth friendship and understanding worldwide by appropriating funds as a grant to the International Association of Lions Club for design and construction of a camp facility.

The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Stating that the funds appropriated in this measure serve a public purpose;
- (2) Specifying that the appropriation must meet the requirements under the grants and subsidies law;
- (3) Clarifying that the facility specifically serve youth programs; 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 International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1025, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1025, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Mizuno, Shimabukuro and Takai.

**SCRep. 121 Tourism & Culture on H.B. No. 569**

The purpose of this bill is to enable the public and private sectors, including state and county agencies, to explore ways to revitalize Waikiki in a cooperative and creative manner by establishing a temporary Tourism Economic District Taskforce (Taskforce) to identify and designate one particular district within Waikiki to be the Tourism Economic District.

The Department of Business, Economic Development, and Tourism, and the Hawaii Hotel & Lodging Association testified in support of the intent of this bill. The Hawaii Tourism Authority and the Waikiki Improvement Association provided comments.

Your Committee recognizes the importance of including not only state agencies in the Taskforce, but also private entities as well as the City and County of Honolulu. It is the intent of your Committee that the various entities work together, through the Taskforce, in a collaborative effort to determine the specific details of the Tourism Economic District.

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

Signed by all members of the Committee except Representatives Berg, Wakai and Ching.

**SCRep. 122            Tourism & Culture on H.B. No. 570**

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 pursuant to a contract with the Hawaii Tourism Authority (HTA).

The Department of Taxation, Department of Business, Economic Development, and Tourism, HTA, The Chamber of Commerce of Hawaii, and a concerned individual supported this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 570, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 570, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 123            Tourism & Culture on H.B. No. 991**

The purpose of this bill is to enhance local tourism-related marketing efforts by:

- (1) Requiring the Hawaii Tourism Authority (HTA) to set aside ten percent of its annual marketing budget to conduct marketing campaigns locally;
- (2) Allowing HTA to promote its interest and positions and projects within the State; and
- (3) Providing that HTA may enter into contracts and agreements that include product and workforce development and diversification issues focused on visitors.

HTA opposed this bill. The Department of Business, Economic Development, and Tourism and the Hawaii Hotel & Lodging Association offered comments.

Your Committee has amended this bill by:

- (1) Changing the percentage of HTA's annual marketing budget to be set aside for local marketing campaigns to an unspecified amount to encourage further discussion;
- (2) Changing the bill's effective date to July 1, 2025, to encourage further discussion;
- (3) Clarifying that HTA is authorized to promote the tourism industry's interest and positions and projects within the state, instead of its own; 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 H.B. No. 991, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 991, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Wakai and Ching.

**SCRep. 124            Tourism & Culture on H.B. No. 571**

The purpose of this bill is to provide protection for our visitors in the event of a natural disaster or other emergency by appropriating funds from excess transient accommodations tax (TAT) revenue to allow the counties of Kauai, Maui, Hawaii, and the City and County of Honolulu to develop emergency response centers.

A member of the County Council of Maui supported this bill. The Hawaii Hotel & Lodging Association supported the intent of this measure. The Hawaii Tourism Authority opposed this bill.

It is the intent of your Committee to fund the emergency response centers through the use of excess revenues from the TAT that lapse to the general fund as provided for in section 237D-6.5(b), Hawaii Revised Statutes (HRS). It is not the intent of your Committee to divert TAT revenue that is allocated, pursuant to section 237D-6.5(b), HRS, for other purposes, including the Tourism Special Fund.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 571, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

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

**SCRep. 125            Tourism & Culture on H.B. No. 189**

The purpose of this bill is to ensure that cruise ships appropriately reimburse the State to compensate for their use of small boat harbors by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to provide an annual report to the Legislature regarding the total costs incurred by DLNR in addressing the usage activities of cruise ships at state small boat harbors;

- (2) Specifying that all fees assessed upon cruise ships shall be set by statute; and
- (3) Requiring DLNR to submit, on an annual basis, proposed legislation to the Legislature recommending the amount of fees to be assessed on cruise ships.

DLNR offered comments on this bill.

Your Committee believes that additional information regarding the costs incurred by DLNR in addressing the usage activities of cruise ships will be a valuable resource for the State. However, your Committee notes that strong concerns were raised by DLNR during the public hearing regarding the provisions specifying that fees are to be set by statute. DLNR indicated that guidelines for charging cruise ship fees are already covered under federal law and are defined in the 1884 Rivers and Harbors Appropriation Act.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provisions:
  - (A) Specifying that fees be set by statute; and
  - (B) Requiring DLNR to submit proposed legislation recommending the amount of fees to be assessed on cruise ships;
- (2) Changing its effective date to July 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 189, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 189, H.D. 1, and be referred to the Committees on Transportation and Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Berg, Wakai and Ching.

**SCRep. 126 Tourism & Culture on H.B. No. 706**

The purpose of this bill is to promote and preserve native Hawaiian culture and practices by, among other things:

- (1) Specifying a definition for, and a process of establishing, culturally valuable districts; and
- (2) Establishing, for each culturally valuable district, a culturally valuable district community advisory council that is required to, among other things:
  - (A) Prepare a list of culturally and historically valuable sites or features within the culturally valuable district; and
  - (B) Review and make recommendations on all land use reclassification petitions, all applications for community or development plan amendments, all applications for zoning changes, and all applications for special management area permits for the culturally valuable district.

The Department of Land and Natural Resources supported the intent of this measure. The Land Use Research Foundation of Hawaii opposed this bill.

Although your Committee supports the intent of this measure, public testimony has indicated that there already exist certain land-use mechanisms and criteria in place that are intended to protect and preserve native Hawaiian cultural practices and resources. Your Committee believes that further discussion on this matter is warranted.

Your Committee has amended this measure by:

- (1) Deleting the provisions establishing culturally valuable district community advisory councils for each culturally valuable district;
- (2) Changing its effective date to July 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 706, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 127 Tourism & Culture on H.B. No. 1538**

The purpose of this bill is to protect public access to public lands, including beaches, by:

- (1) Making it illegal for a hotel or a resort to limit the use of public land, including a beach, to its guests;
- (2) Making it permissible for a hotel or resort to use public lands if certain conditions are met; and
- (3) Establishing fines for violations of the provisions contained in this bill.

The Department of Land and Natural Resources (DLNR) opposed this measure. The Hawaii Hotel & Lodging Association supported the intent of this bill.

Although supportive of the intent to preserve public access to public lands, including beaches, your Committee finds that the details of this issue may be more appropriately dealt with through the rulemaking process.

Your Committee has amended this measure by:

- (1) Deleting the provisions making it permissible for a hotel or resort to use public lands if certain conditions are met;

- (2) Deleting the provisions establishing fines for violations;
- (3) Requiring DLNR to adopt rules to determine:
  - (A) The use of public beach lands by hotels, resorts, and other businesses, specific to equipment and other activities on beaches;
  - (B) What is a reasonable period of time for equipment to be left on public beach lands; and
  - (C) A structure or schedule of fees for any violation of the provisions contained in this bill;
- (4) Changing its effective date to January 1, 2025, to promote further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1538, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 128 Economic Development & Business Concerns/International Affairs on H.B. No. 32**

The purpose of this bill is to ensure that state dollars are used to create jobs within and not outside of the United States, by prohibiting state governmental bodies from contracting with or providing economic development assistance to companies that will outsource the work to other countries.

The Hawaii Government Employees Association submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism did not support this bill. The University of Hawaii opposed this measure. Comments were received from the State Procurement Office and the Department of Human Services.

Your Committees have amended this bill by:

- (1) Removing penalty provisions that would have allowed a noncompliant contractor's contract to be terminated, monetary penalties to be imposed, and the contractor to be disqualified for other state contracts;
- (2) Providing an exemption for work that is not available locally or domestically that is performed outside the United States;
- (3) Changing the effective date to July 1, 2034, to encourage further discussion of this bill; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees respectfully request that the Committee on Labor, to which this bill is next referred, examine the Department of Human Services' recommendation to exempt existing contracts.

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 H.B. No. 32, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 32, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Berg, Chang, Mizuno, Takai, Awana, Ching and Marumoto.

**SCRep. 129 Consumer Protection & Commerce on H.B. No. 1326**

The purpose of this bill is to improve the enforcement of insurance fraud laws by allowing the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA) to prevent, investigate, and prosecute insurance fraud cases beyond motor vehicle insurance.

The Department of the Attorney General, DCCA, State Farm Insurance Companies, Hawaii Medical Service Association, Hawaii Insurers Council, National Association of Insurance and Financial Advisors Hawaii, and Hawaii Association of Health Plans testified in support of this bill. The American Council of Life Insurers and Hawaii Employers' Mutual Insurance Company, Inc., submitted comments.

Currently, DCCA's insurance fraud investigations unit only has jurisdiction over motor vehicle insurance cases. This bill seeks to replace the unit with a new DCCA branch with jurisdiction over cases of fraud in other lines of insurance.

Your Committee has amended this bill by:

- (1) Amending the provision establishing the insurance fraud investigations branch within DCCA, to clarify that this bill deals with fraud committed against insurers;
- (2) Deleting the provision requiring insurers to include on all insurance applications and claim forms specific language giving notice that the submission of a fraudulent insurance application or claims is a punishable crime;
- (3) Providing that a person must act with the higher standard of "actual malice", rather than "malice", to be ineligible for immunity from civil liability for providing information relating to insurance fraud;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1326, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, McKelvey and Souki.

**SCRep. 130 Education on H.B. No. 414**

The purpose of this bill is to enhance student representation on the Board of Education (BOE) by proposing a constitutional amendment to allow the student member of BOE to vote on all matters.

Several concerned individuals testified in support of this bill. The Board of Education offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 414 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 131 Education/Higher Education on H.B. No. 15**

The purpose of this bill is to fund special education teaching programs by creating the Felix Stipend Revolving Fund (Revolving Fund), into which shall be deposited moneys received as repayment from students who have breached their contractual agreements under the Felix Stipend Program.

The Department of Education and University of Hawaii testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committees have amended this bill by:

- (1) Making technical, nonsubstantive amendments for clarity, consistency, and style, including classifying the fund as a special fund, rather than a revolving fund;
- (2) Inserting an appropriation to be deposited into the Special Fund, to enable its operation; and
- (3) Inserting an appropriation out of the Special Fund for special education teaching programs.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 15, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 15, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 132 Education/Human Services & Housing on H.B. No. 599**

The purpose of this bill is to provide an incentive to attract and retain qualified teachers and other school staff members in Hawaii by establishing and appropriating funds for the Educators' Affordable Housing Program (Program) that shall offer a deferred-interest second mortgage to eligible individuals.

Funds are also appropriated to manage teacher housing and for the repair and renovation of existing teacher housing units.

The Hawaii State Teachers Association testified in support of this bill. The Department of Education (DOE) and Hawaii Housing Finance and Development Corporation (HHFDC) supported the intent of this measure. The Department of Budget and Finance opposed this bill.

Your Committees have amended this bill by:

- (1) Extending the Program to other educational staff of DOE;
- (2) Requiring HHFDC, rather than DOE, to administer the Program;
- (3) Clarifying that management of existing teacher housing is the responsibility of:
  - (a) HHFDC before July 1, 2008; and
  - (b) DOE beginning July 1, 2008;
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 599, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 599, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto, Saiki, Takai, Wakai, Awana and Ward.

**SCRep. 133 Education/Human Services & Housing on H.B. No. 955**

The purpose of this bill is to assist in the recruitment and retention of teachers in the Hawaii public school system by establishing the Teachers' Affordable Housing Program (Program) to provide housing for teachers at affordable prices.

The Hawaii State Teachers Association testified in support of this bill. The Department of Education (DOE) supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Extending the Program to other educational staff of DOE;
- (2) Requiring the Hawaii Housing Finance and Development Corporation, rather than DOE, to administer the Program; 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 Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 955, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 955, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto, Saiki, Takai, Wakai, Awana and Ward.

**SCRep. 134 Energy & Environmental Protection on H.B. No. 639**

The purpose of this measure is to make changes to the deposit beverage container law to facilitate redemption of containers.

More specifically, the measure proposes to:

- (1) Require deposit beverage distributors to report the number of containers sold and make fee payments on the number of deposit beverage containers sold;
- (2) Allow consumers to request that the refund value be computed by container count if the consumer is redeeming no more than fifty containers of each container material type per visit to the redemption center;
- (3) Allow redemption centers to refuse to pay the refund value on containers that appear to have been previously processed and baled; and
- (4) Requires the Department of Health to pay the handling fee only on containers that have actually been physically received by the redemption center.

The Department of Health submitted testimony in opposition to this measure.

The Sierra Club, Hawaii Chapter, and Reynolds Recycling submitted testimony in support of this measure.

Your Committee has amended the bill by:

- (1) Requiring dealers with greater than seventy-five thousand square feet of interior space to operate a redemption center;
- (2) Authorizing the Director of Health, after consulting with the Auditor, to suspend the deposit beverage container fee if the funds in the deposit beverage container deposit special fund are sufficient to meet the statutory requirements of the fund; and
- (3) Deleting the word "net" from section 342G-105(b) and section 342G-111(f) to conform with other amendments made to section 342G-105(b).

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. 639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 639, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 135 Labor & Public Employment on H.B. No. 1503**

The purpose of this bill is to strengthen protections for dislocated workers by amending Hawaii's Dislocated Workers Law. Specifically, this bill:

- (1) Expands the 60 day notification to employees and the Director of the closing of covered establishments by:
  - (a) Adding the notification requirement for the transfer of any covered establishment from one employer to another because of the sale, transfer, merger, and other business takeover or transaction of business interest; and
  - (b) Expanding the definition of "closing" to include bankruptcy and other close of business transactions;
 and
- (2) Imposes penalties on an employer who fails to notify the Director or employees of a closing, partial closing, divestiture, or relocation of a business.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this bill. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that current Hawaii law protects employees who face termination from employment due to a sudden closure or partial closure of a business as a result of a sale, transfer, merger, or transaction of business interests. However, bankruptcies and divestitures of businesses are not covered under current law. This bill will help ameliorate the effects these situations will have on people's lives.

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. 1503 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

**SCRep. 136 Labor & Public Employment on H.B. No. 1280**

The purpose of this bill is to develop a competitive workforce with the skill levels to support high-skill, high-wage industries in the future by:

- (1) Establishing a lifelong learning accounts program to encourage employer and employee investment in upgrading the skills of the incumbent workforce;
- (2) Establishing a rapid response training program and revolving fund in the Department of Business, Economic Development, and Tourism (DBEDT) to facilitate rapid customized training for high priority business investments;
- (3) Establishing the "Kama'aina Come Home" Program in DBEDT to attract former Hawaii residents to jobs in Hawaii; and
- (4) Merging certain workforce development programs currently in the Department of Labor and Industrial Relations (DLIR) with economic development programs in DBEDT to more effectively and efficiently develop a skilled workforce to meet Hawaii's workforce and economic needs.

The Governor of the State of Hawaii, DLIR, DBEDT, Department of Taxation, Workforce Development Council, University of Hawaii System, American Society of Civil Engineers, John M. Knox & Associates, Inc., Council for Adult and Experiential Learning, Castle & Cooke Hawaii, Hawaii Pacific University, and several concerned individuals testified in support of this bill.

Hawaii is facing a number of critical workforce issues that, if left unresolved, can derail our future economic growth. While an estimated 29,000 jobs will need to be filled each year due to economic expansion and anticipated worker retirements, Hawaii's high schools only graduate approximately 14,000 high school seniors annually. This has resulted in a critical shortage of workers in an already strained employment market.

Compounding this problem is the fact that a changing economic market both in Hawaii, and throughout the world, necessitates a higher level of education and training than is currently offered in Hawaii's public high schools. Since only 38 percent of high school graduates in Hawaii further their education or training within the state, the gap between the number of jobs available and the number of qualified individuals to fill these positions will continue to widen.

Your Committee finds that developing Hawaii's workforce to meet future economic demands is a complex issue and that, while this measure appears to take a comprehensive approach to addressing this issue, questions regarding the implementation of this plan remain. Accordingly, your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2059, to continue 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 H.B. No. 1280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1280, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 137 Labor & Public Employment on H.B. No. 1561**

The purpose of this bill is to establish labor representation procedures in real property development projects in which the State or counties have an ongoing proprietary interest.

The Hawaii State AFL-CIO and ILWU, Local 142 testified in support of this bill. The Department of Labor and Industrial Relations, Office of Collective Bargaining, and the Senior Policy Advisor testified in opposition to this measure.

Your Committee finds that this bill will avoid the additional costs when labor-management conflicts occur in development projects in which the State or a county has proprietary interest. Specifically, this bill will require certain employers to agree to nonconfrontational and expeditious procedures by which their workers can register their preference regarding union representation. This procedure is referred to as "crosscheck" or "card check". This alternative procedure will encourage State and county participation in these projects by preventing construction delays, work stoppages, picketing, strikes, consumer boycotts, and similar problems when formal and adversarial union certification processes deteriorate into protracted and acrimonious labor-management conflicts.

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. 1561 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 138 Labor & Public Employment/Human Services & Housing on H.B. No. 833**

The purpose of this bill is to assist individuals who provide attendant care and day care services authorized by the Department of Human Services by creating new exemptions under Hawaii's:

- (1) Workers' Compensation Law;
- (2) Temporary Disability Insurance Law; and
- (3) Prepaid Health Care Law.

The United Filipino Council of Hawaii, Home & Community Services of Hawaii, Inc., Catholic Charities Hawaii, Filipino Chamber of Commerce of Hawaii, Oahu Filipino Community Council, Adult Foster Home Association of Hawaii, and numerous individuals testified in support of this bill. Responsive Caregivers of Hawaii testified in opposition to this measure. The Department of the Attorney General (Attorney General), Department of Human Services (DHS), and Department of Labor and Industrial Relations (DLIR) submitted comments.

Currently, numerous individuals provide a valuable service to the State of Hawaii by serving as domestic caregivers, many of them through contracts with DHS. Recently, questions have arisen as to whether these caregivers, especially those attached to a provider agency, are independent contractors or employees. When these individuals have been ruled as employees, they have been subjected to Hawaii's employment laws resulting in skyrocketing operational costs.

Although your Committee recognizes the concerns raised by the Attorney General and DLIR regarding the possible federal implications associated with this bill with regard to the Federal Unemployment Tax Act (FUTA) and the Employee Retirement Income Securities Act (ERISA), failure to provide relief from Hawaii's employment laws to these businesses may result in a public health crisis.

While this measure is deserving of further consideration, your Committee respectfully requests that the Attorney General and Director of DLIR obtain information regarding the effect this bill may have on ERISA and FUTA benefits experienced by the State and present this information to the Committee on Finance. Your Committee also respectfully requests that the Committee on Finance further look at the concerns raised by the Attorney General and DLIR.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "Recipient of social service payments";
- (2) Changing the effective date to July 1, 2059; 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 Labor & Public Employment and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 833, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 833, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green, Har, Luke, Souki, Takumi and Meyer.

**SCRep. 139 Health on H.B. No. 590**

The purpose of this bill is to improve the overall health of Hawaii's population and reduce the incidence of cervical cancer by:

- (1) Requiring health insurance coverage for human papillomavirus (HPV) immunizations; and



- (2) Including:
- (A) HPV immunization among services available from the Department of Health (DOH) to indigents and others; and
  - (B) Papillomavirus immunization among the vaccinations in DOH's teen vax program.

The Hawaii Medical Service Association, American Cancer Society, Hawaii Women's Political Caucus, Hawaii Chapter of the National Association of Pediatric Nurse Practitioners, and several concerned individuals supported this bill. DOH opposed this measure. Kaiser Permanente submitted comments on this bill.

Your Committee finds that recent breakthroughs in the fight against cancer should be provided to the public through public-private coordinated initiatives. However, a balance must be found that will allow for the most efficient methods of disseminating information to the greatest number of people about the availability of immunizations for HPV. Mandating procedures that may create undue burdens for organizations, such as requiring costly editing of informational literature or correspondence that currently provide information to the public, should be avoided.

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. 590 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 140 Health on H.B. No. 220**

The purpose of this bill is to stem the loss of vital health care professionals from our state by:

- (1) Placing a cap on the amount of non-economic damages that may be recovered in medical malpractice actions in Hawaii; and
- (2) Stabilizing medical malpractice insurance premium rate increases.

The Department of the Attorney General, University of Hawaii System, Healthcare Association of Hawaii, Hawaii Health Systems Corporation, Hawaii Pacific Health, Hawaii Medical Association, and numerous concerned individuals supported this bill. The Consumer Lawyers of Hawaii and a concerned individual opposed this measure. The Department of Commerce and Consumer Affairs and a concerned individual provided comments on this bill.

Your Committee finds that the subject of medical tort reform is one that elicits strong emotions from all parties involved in its discussion of how to provide reasonable malpractice insurance premiums so we can ensure physicians continue to practice in the state, while also providing fair and equitable settlement to people who have incurred serious harm due to physician errors in treatment. Subsequent committee hearings should:

- (1) Explore the Medical Claim Conciliation Panel (MCCP) in which all claims for medical malpractice must be filed prior to being heard in a court of law. Adjustments to this process and lessons learned from the MCCP process may be of some value in this debate to amicably deal with cases of alleged medical negligence;
- (2) Evaluate the financial impact to the State incurred from trying medical malpractice cases which your Committee suggests your Committee on the Judiciary look into; and
- (3) Request more concrete information from the departments and others and require their sources to testify before the House and Senate Committee on this issue.

Your Committee has amended this bill by including provisions that, among other things:

- (1) Remove requirements that health care providers maintain \$1,000,000 coverage for noneconomic damages to be limited to \$500,000;
- (2) Allow juries to assess the percentage of negligence of one party with reference to the negligence of all parties in a medical tort case;
- (3) Require economic damages allocated to a health care provider be based on the health care provider's proportionate percentage of negligence;
- (4) Increase the number of different providers included under the definition of "health care provider" and falling under the medical tort law;
- (5) Narrow the definition of "medical tort" to more specific acts of negligence;
- (6) Change the repeal date of the Act to January 2015; and
- (7) Provide an exception to required premium rates for rates that would cause imminent insolvency or fail to provide a fair rate of return.

Your Committee has also made 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. 220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 220, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 141 Health on H.B. No. 965**

The purpose of this bill is to sustain essential health care coverage for the residents of the North Shore of Oahu by appropriating \$950,000 as a grant to Kahuku Hospital to:

- (1) Maintain operations;
- (2) Cover Chapter 11 bankruptcy reorganization costs; and
- (3) Assist in a potential transfer of hospital operations to the Hawaii Health Systems Corporation.

The Department of Health, a member of the Honolulu City Council, the principal of Kahuku High and Intermediate School, Koolau Loa Neighborhood Board No. 28, Healthcare Association of Hawaii, United Public Workers, Polynesian Cultural Center, and numerous concerned individuals supported this bill.

Your Committee finds that Kahuku Hospital provides vital health care services to the North Shore area of Oahu. Therefore, state assistance in maintaining this hospital is important. However, recognizing the tremendous financial stress most of Hawaii's hospitals are under, your Committee finds that more information is necessary to ensure that the State's health care system is not irreparably damaged by the proposed acquisition of Kahuku Hospital.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amount to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 965, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 965, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 142 Health on H.B. No. 378**

The purpose of this bill is to help address Hawaii's serious shortage of nursing professionals by appropriating funds to the University of Hawaii (UH) to:

- (1) Hire more nursing faculty and support positions;
- (2) Provide nursing scholarships and loans;
- (3) Expand UH School of Nursing facilities;
- (4) Advance the work of the Hawaii Statewide Nursing Consortium; and
- (5) Provide distance learning.

The Healthcare Association of Hawaii, Hawaii Government Employees Association, Queen's Medical Center, Hawaii Primary Care Association, Hawaii Health Systems Corporation, Hawaii State Center for Nursing, Hawaii Association of Professional Nurses, and several concerned individuals supported this bill. UH submitted comments on this measure.

Your Committee finds that innovative methods must be used to fulfill Hawaii's need for more nursing professionals. This bill provides substantial funding for programs to assist in this goal. Your Committee supports this initiative and sees it as providing additional funding to UH's nursing program without affecting appropriation requests made by the UH Board of Regents and placed in the Executive budget.

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. 378 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

**SCRep. 143 Health on H.B. No. 229**

The purpose of this bill is to improve health care in medically underserved areas of the state by establishing the Hawaii Health Corps Program (Program) which will encourage health care professionals to serve in areas of need by:

- (1) Identifying health professional shortage areas;
- (2) Establishing annual award amounts for eligible health care professionals who will undertake a specified service obligation in shortage areas of the state;
- (3) Granting loan and scholarship awards for eligible student participants;
- (4) Soliciting and accepting grants and donations from public and private sources to support the program; and
- (5) Developing criteria for a contract for service in lieu of the required service obligations.

The Hawaii Primary Care Association, Hawaii Medical Service Association, Hawaii Psychiatric Medical Association, and a concerned individual supported this bill. The Department of Health supported the intent of this bill.

Your Committee finds that the health care professional shortage crisis in Hawaii is escalating especially in the rural areas of our state where providers currently in these areas retire or relocate at the same time as the residential population is increasing. It is important to establish a means, such as those provided by this bill, of attracting new talent in the field of health care to these areas. Past initiatives have also been adopted to assist in alleviating this health care professional crisis. Your Committee recommends that the Committee on Higher Education look further into how the Primary Health Care Incentive Program established pursuant to section 321-1.5, Hawaii Revised Statutes, could be used in conjunction with this measure to provide a more comprehensive approach to solving this serious health care problem.

Your Committee has amended this bill by:

- (1) Adding two full-time equivalent positions to assist in the Program's administration; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 229, H.D. 1, and be referred to the Committee on Higher Education.

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

**SCRep. 144 Health on H.B. No. 1862**

The purpose of this bill is to protect people with serious skin conditions and for whom exposure to sunlight would pose a danger to their health, as documented by a licensed physician. Allowing them to use a darker window tint on their vehicles than allowed by law would provide added protection from the sun.

Several concerned individuals supported this bill. T&T Tinting Specialists, Inc., opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the damaging factor which some people with certain skin conditions need protection from is ultraviolet (UV) rays; and
- (2) Allowing family members of a person with a skin condition affected by UV rays to use tinting that may be darker than is currently allowed for greater protection from UV rays.

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. 1862, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1862, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 145 Higher Education on H.B. No. 673**

The purpose of this bill is to provide more flexibility for the operations of the University of Hawaii (UH) by exempting the UH Board of Regents from the requirements of the Hawaii Public Procurement Code.

UH testified in support of this measure. The State Procurement Office, Coalition of Hawaii Engineering and Architectural Professionals, and the American Institute of Architects opposed this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 673 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro. (Representative Berg voted no.)

**SCRep. 146 Public Safety & Military Affairs on H.B. No. 1433**

The purpose of this measure is to require sufficient notice to commanding officers of military installations in the State of pending land use petitions or zoning applications within certain designated distances from a military installation.

Your committee finds that this notice will:

- (1) Afford the commanding officer an opportunity to raise any concerns the commanding officer may have about urban encroachment on the military installation that could adversely affect the effectiveness and preparedness of the installation, and the training of troops; and
- (2) Allow the commanding officer to participate in any public hearings or contested case proceedings.

Your Committee has received testimony in support of this measure from the state Department of Defense and the Chamber of Commerce of Hawaii. Testimony in opposition to this measure was received from the Land Use Research Foundation of Hawaii.

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. 1433 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 147 Public Safety & Military Affairs on H.B. No. 1398**

The purpose of this bill is to authorize the Director of Public Safety to garnish moneys of a committed person to satisfy crime victim compensation fees ordered by a court.

The bill also expands the moneys subject to garnishment to include judgments and settlements received by a committed person.

Your Committee received testimony in support of the measure from the Crime Victim Compensation Commission.

Your Committee finds that current law requires courts to impose a mandatory crime victim compensation fee against criminal offenders. These compensation fees are then deposited into the Crime Victim Compensation Special Fund and used to pay compensation to victims of violent crimes. However, there is no statutory authority for the Director of Public Safety to garnish inmate wages in order to pay these compensation fees. Your Committee finds that this bill is necessary to provide the Director of Public Safety with that authority to garnish those wages.

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. 1398 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 Takumi.

**SCRep. 148 Public Safety & Military Affairs on H.B. No. 1405**

The purpose of this bill is to support the efforts of the Department of Public Safety (DPS) relating to controlled substances. This bill expands the use of the Controlled Substance Registration Revolving Fund to include the costs of:

- (1) Operating the Narcotics Enforcement Division's forensic drug laboratory; and
- (2) Investigating violations relating to the registration and control of controlled substances.

DPS testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2015, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1405, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 149 Public Safety & Military Affairs on H.B. No. 3**

The purpose of this bill is to enhance Hawaii's ability to house its incarcerated population by requiring the Department of Public Safety (DPS) to undertake a study to determine three sites within the state for a minimum security prison to:

- (1) House no fewer than 500 inmates; and
- (2) Include an intensive mandatory substance abuse treatment program.

The Hawaii Substance Abuse Coalition, Habitat for Humanity, Kumulipo, and a concerned individual supported this bill. DPS supported the intent of this measure. The Community Alliance on Prisons submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision that required DPS to determine three sites for a minimum security prison;
- (2) Removing the stipulation that the facilities house not less than 500 inmates;
- (3) Deleting the provision that required an intensive mandatory substance abuse treatment program;
- (4) Requiring DPS to study and determine which island should be the first to build a new prison, including:
  - (A) Recommendations for a proposed site on the selected island;
  - (B) A report on how to acquire the site; and
  - (C) A comprehensive estimation of costs involved in successfully building the facility with regard to its impact on the environment and the community;
- (5) Requiring DPS to provide a four-year projection of the housing needs for Hawaii's minimum security population;
- (6) Requiring recommendations on the maximum size of a minimum security facility and land necessary for it to provide sufficient housing for Hawaii's minimum security inmates;
- (7) Adding an appropriations section with an unspecified dollar amount; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 150 Agriculture on H.B. No. 692**

The purpose of this bill is to effectuate its title.

H.B. No. 692 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 Agriculture that is attached to this report, your Committee is in accord with the action to report out H.B. No. 692, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 692, H.D. 1.

Signed by all members of the Committee.

**SCRep. 151 Legislative Management on H.B. No. 897**

The purpose of this bill is to enhance public access to the legislative process by appropriating an unspecified sum to provide archived and indexed video and audio streams of legislative proceedings on the Internet.

Olelo Community Television, Life of the Land, and The League of Women Voters testified in support of this bill.

A process known as "streaming media" or "webcasting" allows audio or video 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 would provide greater public access to the legislative process at a low cost to the State.

Archiving and indexing video and audio streams would further increase public access. Archiving allows users to view or listen to legislative proceedings at their own convenience. By segmenting the programs, indexing would allow users to advance to different portions of the program similar to advancing to the next song on a CD.

Your Committee has amended this bill by:

- (1) Inserting the sum of \$25,000 to each legislative body for each fiscal year; and

- (2) Making technical, nonsubstantive amendments for 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 H.B. No. 897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 897, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative B. Oshiro.

**SCRep. 152 Judiciary on H.B. No. 36**

The purpose of this bill is to allow state agencies to enter into indemnity agreements with the counties. The bill also requires state agencies to agree to indemnify a county when receiving from the county any assistance, services, rights, or permission to use county property or provide services or act as a vendor to county agencies, by:

- (1) Defending the county and its officers and employees from claims made by public users; and
- (2) Indemnifying the county and its officers and employees for losses incurred as a direct result of the public use.

The Mayor of the City and County of Honolulu, the Department of the Corporation Counsel of the City and County of Honolulu, the Maui County Council, the Hawaii County Council, the Mayor of the County of Hawaii, the Office of the Corporation Counsel of the County of Hawaii, a member of the Hawaii County Council, and a member of the Kauai County Council testified in support of this bill. The Attorney General opposed this measure.

Your Committee has amended this bill by:

- (1) Authorizing, instead of requiring, a state agency to enter into written indemnity agreements with the counties to receive aid, assistance, support, benefits, service, or interest in or rights to use county property;
- (2) Limiting situations where the state agency may agree to an indemnity provision with the county agency to situations when:
  - (a) A county ordinance, rules, or regulations expressly or by clear implication require the indemnity provision;
  - (b) The governor approves the State's proposed indemnification;
  - (c) The comptroller has obtained an insurance policy or policies in an amount sufficient to cover the liability of the State that reasonably may be anticipated to arise under the indemnity provision or has determined that it is not in the best interest of the State to obtain insurance; and
  - (d) The State's liability under the indemnity provision will be expressly limited to the amount of, and will be defrayed solely by, such insurance;
- (3) With exceptions for gross negligence or wanton acts or omissions, statutorily limiting the civil liability of a county providing aid, assistance, support, benefits, service, or interest in or rights to use county property to a state agency;
- (4) Authorizing the Comptroller to obtain loss insurance to indemnify a county under an indemnity agreement with a state agency;
- (5) Changing the effective date to January 1, 2050, to encourage further discussion; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 36, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 36, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 153 Judiciary on H.B. No. 379**

The purpose of the bill is to increase witness' daily fees and the per diem paid to witnesses who travel from out of state or inter-island to attend court proceedings.

The Hawaii Tourism Authority, the Office of the Public Defender, and the Department of the Prosecuting Attorney for the City and County of Honolulu testified in support of the bill. The Department of Budget and Finance provided comments.

Your Committee finds that increasing witness fees and per diem payments will help to reduce the burden on those obliging witnesses who perform a service that is integral to our criminal justice system. This increase will help defray the cost to witnesses in time, participation, transportation costs, and lost wages.

Your Committee amended the bill by:

- (1) Extending the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 379, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 154 Judiciary on H.B. No. 1177**

The purpose of this bill is to support grass roots community involvement in the fight against drug abuse in the County of Hawaii by providing funding to the County of Hawaii's Community Anti-Drug Fund, which provides grants to various nonprofit organizations and community associations to conduct grass roots anti-drug and substance abuse activities in their communities.

The Mayor of the County of Hawaii testified in support of this bill.

Your Committee finds that community-led efforts to prevent and combat drug and other substance abuse complement government policing, prosecution, institutional rehabilitation, and education efforts and play a crucial role in our fight against drug abuse. Your Committee finds that it is good public policy to provide financial support to community groups that collaborate and cooperate in prevention efforts to address these substance abuse issues.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount for fiscal year 2007-2008 from \$200,000 to an unspecified amount, to encourage further discussion in the Committee on Finance on the amount of necessary funding;
- (2) Adding an appropriation of an unspecified amount for fiscal year 2008-2009; 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. 1177, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1177, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 155 Public Safety & Military Affairs on H.B. No. 1734**

The purpose of this bill is to address a range of problems experienced by the large population of native Hawaiian inmates in Hawaii's jails and prisons. This bill establishes and funds a Native Hawaiian Affairs Manager position to:

- (1) Advise the Director of Public Safety on matters affecting the well-being of incarcerated native Hawaiians;
- (2) Work with other entities to coordinate services and opportunities to assure the well-being of this population; and
- (3) Find ways to incorporate native Hawaiian cultural practices in various correctional and re-entry programs.

The Office of Hawaiian Affairs testified in support of this bill. The Department of Public Safety supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Adding an effective date of July 1, 2015, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1734, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1734, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 156 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 1**

The purpose of this bill is to improve the process for reentry into the community by adult and juvenile offenders by establishing a comprehensive offender reentry system that:

- (1) Assists adult and juvenile offenders with their reintegration back into our communities; and
- (2) Offers a full continuum of services that are accessible during and immediately after their incarceration.

The Office of Hawaiian Affairs, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Drug Policy Forum of Hawaii, Salvation Army, TJ Mahoney and Associates, Hawaii Substance Abuse Coalition, Network Media, and several concerned individuals supported this bill. The Department of Public Safety, Department of Labor and Industrial Relations, and Department of Education supported the intent of this measure. The Department of Taxation opposed a portion of this bill. The Hawaii Paroling Authority, Department of the Attorney General, Office of Youth Services, Maui Economic Opportunity, Inc.'s Being Empowered and Safe Together Reintegration Program, and a concerned individual submitted comments on this measure.

Your Committees have amended this bill by, among other things:

- (1) Removing all references to juvenile offenders;
- (2) Clarifying that evidence-based principles of effective reentry programs should be implemented in this program;
- (3) Deleting the Offender Reentry Programs and Services Interagency Committee which would have identified existing statewide resources and helped develop programs to assist in this reentry initiative;
- (4) Requiring that an inmate begin participating in the reentry program on the island of the state where the person has the most support at least one year prior to the person's release or parole date;
- (5) Providing for the facilitation of restorative justice practices and the convening of impact panels and educational classes;
- (6) Designating the Interagency Council on Intermediate Sanctions as a resource for County Reentry Task Forces;
- (7) Changing the appropriation amount to \$1;
- (8) Changing the effective date to July 1, 2015, to encourage further discussion; and
- (9) Making technical, nonsubstantive changes for clarity, consistency, and style.

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

Signed by all members of the Committee except Representatives Lee, Luke, McKelvey, Souki and Meyer.

**SCRep. 157 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 1403**

The purpose of this bill is to convert the two part-time positions in the Hawaii Paroling Authority (Authority) to full-time positions.

The Authority and Department of Human Resources Development supported this bill.

Your Committees find that this bill would allow the salary of the Authority's chairperson to be set at the Governor's discretion with guidance from the current published report of the Executive Salary Commission of recommended yearly salaries for department heads. The Governor would also be authorized to set the two full-time position salaries at between 80 to 90 percent of the chairperson's salary. The Committee on Finance may wish to further analyze this provision and its financial ramifications. Your Committees have used their discretion to restore the original salary provision for the chairperson of the Authority and to make the salaries for the other two full-time members consistent with current statute provisions.

Your Committees have amended this bill by:

- (1) Removing provisions allowing the Governor to set the salaries for the Hawaii Paroling Authority's full-time members;
- (2) Restoring provisions that set the chairperson's salary at 87 percent of the Director of Public Safety's salary;
- (3) Setting the salaries for the other two full-time members of the Hawaii Paroling Authority at 80 percent of the chairperson's salary; 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 Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1403, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1403, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Luke, McKelvey, Souki and Meyer.

**SCRep. 158 Higher Education on H.B. No. 1811**

The purpose of this bill is to meet the growing demand for nurses on Oahu by establishing and appropriating funds for:

- (1) An associate degree in nursing program at Leeward Community College, similar to the Kapiolani Community College nursing program; and
- (2) A registered nursing training program and prerequisite course offering for the registered nursing program.

The Waianae Coast Comprehensive Health Center and two concerned individuals testified in support of this bill. The Queen's Medical Center and Hawaii Government Employees Association supported the intent of this measure. The University of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1811, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro, Takumi, Ching and Finnegan.

**SCRep. 159 Transportation on H.B. No. 1757**

The purpose of this bill is to provide relief to the property motor carrier industry by eliminating:

- (1) Restrictions on the total gross weight of a vehicle as applied to any:
  - (A) Single axle on a vehicle; or
  - (B) Group of two or more consecutive axles on a vehicle or combination of vehicles; and
- (2) Fines for second, third, or subsequent weight violations.

The Hawaii Transportation Association, Operating Engineers Local Union #3 Joint Apprenticeship Committee for Hawaii, Horizon Lines, and Hawaii Operating Engineers Industry Stabilization Fund testified in support of this bill. The Department of Transportation (DOT) opposed this measure. RPM Transportation (Hawaii) Inc. submitted comments.

Currently, vehicle weight enforcement for the trucking and transportation industry involves the weighing of the overall vehicle. Weight enforcement also takes into account axle weight, which involves the distribution of weight throughout the vehicle over each axle or set of axles.

Enforcement of axle weights causes problems for truckers since they normally do not load the containers which they haul. Therefore, a driver is unable to determine whether the vehicle is in compliance with axle weight requirements until the vehicle is weighed on an enforcement scale, at which time the driver is cited if the vehicle axle weight is over the limit. Your Committee finds that it is unfair for a truck driver to suffer the consequences for conditions over which the driver has no control.

However, your Committee does recognize the concerns raised by DOT that passage of this measure may cause the State to be in noncompliance with the Federal Highway Administration size and weight enforcement program requirements for Federal Aid Highways which may result in the reduction of federal funds. Your Committee respectfully requests that the Committee on Judiciary take a closer look at this matter.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 160                    Transportation on H.B. No. 1718**

The purpose of this bill is to assist the Legislature in making informed policy decisions regarding the cruise industry in Hawaii by requiring the Department of Transportation (DOT), in collaboration with the Department of Business, Economic Development, and Tourism (DBEDT), the Hawaii Tourism Authority (HTA) and the cruise industry, to conduct a cost benefit analysis of the cruise industry in Hawaii.

DOT, North West CruiseShip Association, Princess Cruises, and Sierra Club – Hawaii Chapter testified in support of this bill. DBEDT, DLNR, HTA, NCL America, and the Retail Merchants of Hawaii supported the intent of this measure.

Hawaii's cruise industry has grown significantly over the last several years. While it appears that this growth provides a much-needed boost to Hawaii's economy, it is unclear what the exact economic, social, and environmental impacts of the cruise industry have been on our state. Conducting a comprehensive cost benefit analysis of Hawaii's cruise industry will assist Hawaii's leaders in making informed policy decisions regarding the growth of this industry.

However, your Committee recognizes the concerns raised by DOT that it does not have the expertise to conduct this cost benefit analysis and that the more appropriate agency to conduct this analysis would be DBEDT. Additionally, the concern raised by DLNR that it should also collaborate on this study and DBEDT's concern that the scope of the analysis should be broadened, were also taken into consideration.

Accordingly, your Committee has amended this bill by:

- (1)            Requiring DBEDT to conduct the analysis in collaboration with DOT, HTA, and DLNR, with input from the cruise industry;
- (2)            Broadening the scope of the analysis to also include the study of the cruise industry's effect on the State's harbor facilities; safety and security measures; environment and infrastructure; fees; and traffic; and
- (3)            Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1718, H.D. 1, and be referred to the Committees on Tourism & Culture and Economic Development & Business Concerns.

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

**SCRep. 161                    Labor & Public Employment on H.B. No. 519**

The purpose of this bill is to assist the State and counties in filling employment positions in shortage categories by allowing employees who are excluded from participating in the Employees' Retirement System (ERS) to participate in the Deferred Compensation Plan.

The Office of the Corporation Counsel of the County of Hawaii testified in support of this bill. The Department of Human Resources Development opposed this measure.

Low unemployment rates have caused the State and counties to experience difficulties in finding qualified applicants to fill a number of vacancies. Your Committee finds that offering an additional incentive will help in recruiting individuals to fill these vacancies.

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

Signed by all members of the Committee except Representative Har.

**SCRep. 162                    Labor & Public Employment on H.B. No. 751**

The purpose of this bill is to support workforce and economic development by:

- (1)            Extending the time period in which the Department of Labor and Industrial Relations may expend Reed Act monies appropriated under Act 190, Session Laws of Hawaii 2006 (Act 190);
- (2)            Removing restrictions placed on funds used by the Workforce Development Council that conflict with federal restrictions; and
- (3)            Providing DLIR with up to 10 percent of these funds for administrative purposes.

DLIR, the Workforce Development Council, and the Workforce Investment Boards of the City and County of Honolulu, County of Maui, County of Hawaii, and County of Kauai testified in support of this bill.

Act 190 provided \$10,000,000 in Reed Act funds to four county workforce investment boards for workforce and economic development purposes. However, the one year time frame to expend these funds has proven to be inadequate due to the complexity of the issue and the procedural requirements involved in using federal funds.

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

Signed by all members of the Committee except Representative Har.

**SCRep. 163                    Labor & Public Employment on H.B. No. 760**

The purpose of this bill is to protect the wages of service employees working for contractors of the State or counties by:

- (1)            Reducing the threshold for applicability of service contract worker wage provisions;
- (2)            Requiring that wages for service contract workers be based on United States poverty guidelines for Hawaii;
- (3)            Including the Department of Labor and Industrial Relations (DLIR) as an enforcement agency;



- (4) Clarifying when the threshold for service contract worker wages is not applicable;
- (5) Requiring that any bid specification offered or contract entered into by a governmental body contain certain provisions allowing the organizing of employees; and
- (6) Imposing fines on contractors who are found to be in violation of the law.

The ILWU Local 142 and the Oahu County Committee of the Democratic Party of Hawaii testified in support of this bill. DLIR commented on this measure.

The payment of living wages and benefits not only increases the standard of living for working individuals and families but is also one of the best ways to improve an economy. Your Committee believes that government should lead by example and require contractors doing business with the State or counties to provide living wages to its employees.

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. 760 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 164 Labor & Public Employment on H.B. No. 853**

The purpose of this bill is to enhance the enforcement of Hawaii's prevailing wage law by ensuring that a violation of Hawaii's prevailing wage law (Chapter 104, Hawaii Revised Statutes (HRS)) arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

The Hawaii Building and Construction Trades Council, AFL-CIO, and Hawaii State AFL-CIO testified in support of this bill. DLIR the Building Industry Association of Hawaii, and Brookefield Homes Hawaii Inc. testified in opposition to this measure.

Under current law, a contractor found to be in violation of Chapter 104, HRS, is considered to have committed only one violation of the law, although multiple violations may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. The lengthy process for conducting and completing investigations of possible violations is also problematic, often resulting in contractors not being properly sanctioned or restricted from obtaining contracts for additional public works projects.

Your Committee finds that during the current construction boom, contractors should be allowed to operate on a level playing field and employees should be ensured of being paid prevailing wages when applicable. This measure will prevent contractors who continually violate the law on multiple occasions and on multiple public works projects from circumventing the law, gaining an unfair advantage over complying contractors, and preventing workers from being paid fair wages.

However, your Committee understands the concerns raised by the Director of Labor and Industrial Relations that any violation, regardless of severity or the willfulness of the contractor in committing the violation, will be counted as a separate violation under this bill and have the unintended consequence of punishing employers for honest, unintentional errors.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2009, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 853, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 165 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 620**

The purpose of this measure is to broaden the applicability of the state family leave law.

Specifically, the measure adds addressing issues related to impending or active military deployment of an employee's child, spouse, reciprocal beneficiary, or parent as an appropriate use of family leave. In addition, it defines the term "military deployment."

The Chamber of Commerce of Hawaii, the Hawaii National Guard Association, the Hawaii National Guard Enlisted Association, and the National Guard Association of Hawaii Insurance Trust testified in support of the measure. The Department of Labor and Industrial Relations supported the intent of the measure. The Department of Human Resources Development submitted comments.

Your Committees recognize that members of our armed services often face disruption in their personal and professional lives when called to active duty, whether on peacekeeping missions or in hostile combat arenas. In carrying out their commitment to serve our nation, service members often make great sacrifices. Your Committees believe that authorizing the use of family leave to deal with issues related to deployment will assist military families during this disruptive time in their lives. Your Committees recognize and express appreciation for the sacrifices and dedication of all members of our military services and hope that this measure will assist them and their families.

Upon further consideration, your Committees have amended the measure by changing the effective date from July 1, 2007, to July 1, 2015, to promote further discussion on this important issue.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 620, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 620, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Luke, McKelvey, Souki and Meyer.

**SCRep. 166 Human Services & Housing on H.B. No. 236**

The purpose of this bill is to help people achieve homeownership by appropriating \$700,000 in each year of the 2007-2009 biennium to Hawaii Habitat for Humanity to fund the building of homes, capacity building for Habitat affiliates, and administrative costs.

The Office of Hawaiian Affairs, Habitat for Humanity Kona, Hawaii Habitat for Humanity Association, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Amending a previous appropriation to the Hawaii Habitat for Humanity Association to allow funds to be used for a broader scope of homes;

- (2) Changing the appropriation to \$1,450,000 in the 2007-2008 fiscal year and \$1,950,000 in the 2008-2009 fiscal year; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 236, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 167 Human Services & Housing on H.B. No. 1906**

The purpose of this bill is to transfer the administration of the Section 8 Rental Housing Program from the State to the counties.

An individual testified in support of this bill. The Hawaii Public Housing Authority and the City and County of Honolulu's Department of Community Services offered comments.

Your Committee has amended this bill by changing the effective date to January 1, 2009, to ensure a smooth transition and to be consistent with the federal funding schedule, which is set by calendar year.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1906, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 168 Human Services & Housing on H.B. No. 105**

The purpose of this bill is to plan for the development of affordable housing within the Kalaeloa Community Development District established under the authority of the Hawaii Community Development Authority (HCDA) by requiring a detailed development plan to be prepared by HCDA with the cooperation of the City and County of Honolulu.

HCDA, the Hawaii Association of REALTORS, and Affordable Housing and Homeless Alliance testified in support of this bill. The Hawaii Housing Finance and Development Corporation, Windward Homeless Coalition, Catholic Charities of Hawaii, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Specifying that the development plan includes mixed-income residential dwellings, including rental and for-sale units;
- (2) Specifying the allocation of affordable rental and for-sale units for each project within the plan;
- (3) Requiring affordable units to be preserved as such in perpetuity;
- (4) Requiring HCDA to consult with the community and receive public input for the plan;
- (5) Deleting the requirement that the plan be designed as a prototype for other planned public-private partnerships to develop affordable housing in the state; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing 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 Second Reading in the form attached hereto as H.B. No. 105, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Belatti, Bertram, Takai and Awana.

**SCRep. 169 Human Services & Housing/Health on H.B. No. 531**

The purpose of this bill is to amend Hawaii's early intervention services law to be consistent with the Individuals with Disabilities Education Improvement Act of 2004 (IDEA).

The Hawaii Down Syndrome Congress and numerous concerned individuals testified in support of this bill. The Department of Health and Hawaii Early Intervention Coordinating Council opposed this measure. The State Council on Developmental Disabilities and Department of Education did not support this bill.

Your Committees heard concerns from testifiers who stated that while they appreciated the intent of this measure, it is inconsistent with the provisions of IDEA.

Accordingly, your Committees have amended this bill by:

- (1) Replacing the term "self-help skills" with "adaptive development" in the definition of "developmental delay";
- (2) Making various amendments in terminology that are consistent with IDEA;
- (3) Removing the definition of "infant or toddler with a disability";
- (4) Allowing parents to make certain choices on the types of early intervention services eligible children may receive; and
- (5) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 531, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 531, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Belatti, Bertram and Awana.

**SCRep. 170 Economic Development & Business Concerns on H.B. No. 314**

The purpose of this bill is to support small businesses in Hawaii by re-establishing and appropriating funding for the Office of the Small Business Defender.

The Hawaii Business League supported this bill. The Department of the Attorney General opposed the bill. The Department of Business, Economic Development, and Tourism, Office of the Ombudsman, and Small Business Regulatory Review Board commented.

Your Committee finds that upon written request by a small business, the Small Business Defender would represent the small business in any proceeding involving a civil citation issued by the State or a county, in which the potential penalties are no more than \$25,000 or will not result in the suspension or revocation of a license.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to encourage further discussion of the measure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 314, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Manahan and Ching.

**SCRep. 171 Economic Development & Business Concerns on H.B. No. 1270**

The purpose of this bill is to improve government decision-making through improved access to, and ability to share agency geospatial information, by:

- (1) Updating the Office of Planning's (OP's) duties with regard to managing and coordinating a statewide geospatial information and data integration program;
- (2) Requiring agencies to provide OP with their respective geospatial data; and
- (3) Establishing a geospatial information and data integration special fund.

OP, Department of Agriculture, Department of Health, County of Kauai Department of Finance, and Hawaii Association of Realtors provided testimony in support of this bill. A concerned individual submitted comments.

Your Committee finds that OP was charged in 1996 with establishing a statewide geographic information system (GIS) that is now fully operational. Users may access different layers of geospatial information about the islands, such as the locations of tsunami evacuation zones or schools. The system is an invaluable technical resource for the Fire Department, Police, Civil Defense, Planning, Housing, and Public Works.

OP testified that the special fund established by this bill is intended to allow agencies and any private partners to pool funds to obtain GIS software, equipment, applications, and databases that serve a common need. This would address problems caused by procurement procedures by allowing the issuance of a single contract, rather than multiple contracts. In addition, pooling will allow the state to obtain items at a lower cost, which will enable agencies with old versions of the GIS to update their software. When the GIS software is updated, the sharing of data and communication between state agencies will be fostered, and OP will be able to implement changes to the system to improve the efficiency of data storage and the deployment of data.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to encourage further discussion of the measure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1270, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Manahan and Ching.

**SCRep. 172 Economic Development & Business Concerns on H.B. No. 33**

The purpose of this bill is to ensure that public funds used for contracted services provide a living wage to the persons providing the services by:

- (1) Establishing a living wage of \$9.43 an hour, to be recalculated every year by the Department of Labor and Industrial Relations;
- (2) Requiring that contractors pay employees providing services under the contract, at least the living wage; and
- (3) Providing for enforcement of the law.

DLIR commented on this bill.

Your Committee finds that where government funds are being used to pay wages, these wages should at a minimum allow the persons providing services under the contract to live at or above the federal poverty level, which is the intent of this bill. However, your Committee recognizes that this measure may have the effect of reducing the ability of nonprofits to provide services to the needy, and respectfully requests the Committee on Labor to examine this concern.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to encourage further discussion of the measure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 33, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 33, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Ching.

**SCRep. 173 Economic Development & Business Concerns on H.B. No. 1670**

The purpose of this bill is to facilitate intellectual property development in Hawaii, while upholding high labor and environmental standards and funding instruction that encourages innovation by public school students. This bill achieves these purposes by establishing a for-profit, limited liability company chartered by the State to own, license, use, and sell intellectual property for the benefit of inventors, labor unions, and public educators.

The Professional Inventors Alliance, Vivalog Technologies, and several concerned individuals supported this bill. The Hawaii State Teachers Association supported the intent of this bill. The Office of the Governor, Department of Taxation, and Department of Budget and Finance opposed this measure. The Department of Education commented on this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1670, H.D. 1, and be referred to the Committees on Education and Labor & Public Employment.

Signed by all members of the Committee except Representatives Berg, Manahan and Ching.

**SCRep. 174 Transportation on H.B. No. 70**

The purpose of this bill is to help alleviate traffic congestion through a fiscally prudent approach by allowing the State to enter into agreements with private entities to build, operate, own, or finance transportation facilities, including toll roads.

The Hawaii Automobile Dealers Association, Hawaii Bicycling League, Honolulutraffic.com, and several concerned individuals testified in support of this bill. The Department of Transportation (DOT) supported the intent of this measure. The Hawaii Transportation Association and several individuals submitted comments on this bill.

Hawaii, especially the island of Oahu, is facing a growing traffic congestion problem. Motor vehicle owners are making wiser choices when using their cars due to high gasoline prices and buying automobiles with greater fuel efficiency which is one reason for a decline in highway fund revenues from gasoline taxes. This decrease of highway fund revenues is making it difficult for government agencies to continue to build and maintain our state highway system, which in turn contributes to increased traffic congestion throughout the state affecting the quality of life for all of Hawaii's residents.

Allowing the State to enter into agreements with private entities to build, operate, own, and finance transportation facilities is one method of rapidly developing safe, convenient, economical, and efficient means of transportation.

Your Committee has amended this bill by deleting its contents and inserting the language of H.B. No. 1424. As amended, this bill allows DOT to enter into public-private partnership (PPP) agreements to finance the planning, design, construction, operation, or maintenance or transportation improvements, including toll facilities.

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

- (1) Clarifying that an "eligible facility" for a PPP does not include railways, monorails, transit systems, bus systems, guided rapid transit systems, or ferries;
- (2) Clarifying that the "unit of government" authorized to enter into a PPP only includes departments or agencies of the State, public corporations established under state law or county ordinance, or intergovernmental agencies or corporations;
- (3) Requiring DOT to develop rules, rather than rules and guidelines, for the administration of a PPP, since DOT does not develop guidelines under Chapter 91, Hawaii Revised Statutes (HRS);
- (4) Requiring the responsible unit of government entering into a PPP to post the conceptual proposal within 30 days after accepting the proposal on:
  - (A) The website of the Department of Accounting and General Services (DAGS) if the unit of government is a state agency; or
  - (B) The responsible unit of the government's website, by publication in a newspaper of general circulation in the county in which the contract is to be performed, or on the DAGS website, in the discretion of the responsible unit of government, if the unit of government is a public corporation established under state law or county ordinance, or any intergovernmental agency of corporation;
- (5) Inserting language clarifying that trade secrets, financial records, or other private records shall be withheld from public disclosure to the extent permitted under Chapter 92F, HRS;
- (6) Deleting the requirement that the major business points of the interim or comprehensive agreement be presented to an oversight board, if any, of the particular unit of government;
- (7) Clarifying that procurement records do not include trade secrets or other confidential information which may be withheld from public disclosure under Chapter 92F, HRS;
- (8) Deleting language prohibiting public inspection of cost estimates related to a proposed procurement transaction and restricting the inspection of procurement transaction records;
- (9) Deleting language authorizing DOT to approve requests by other units of government to procure, fund, develop, operate, or maintain eligible facilities in the same manner as DOT;
- (10) Inserting language requiring DOT to adopt rules to establish fines for evasion of a properly levied toll; and
- (11) Inserting language providing all police officers and other law enforcement personnel with police powers within a qualifying transportation facility.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 70, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Luke and Takamine.

**SCRep. 175 Education on H.B. No. 564**

The purpose of this bill is to provide more flexibility to teachers to purchase school supplies and other related curriculum support supplies by allowing the principal of each public school to establish and use a debit card system for such purchases.

The representative from the 27<sup>th</sup> representative district testified in support of this bill. The Hawaii State Teachers Association supported the intent of this measure. The Department of Education did not support this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 564 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 176 Higher Education on H.B. No. 671**

The purpose of this bill is to encourage disadvantaged students to enter the healthcare profession and the fields of science, technology, engineering, and mathematics and ultimately strengthen the workforce by appropriating funds for:

- (1) The Graduate Professional Access Program; and
- (2) The Health Careers Opportunity Program.

The Big Island Filipino Community Council, Filipino Coalition for Solidarity, Asian American Network for Cancer Awareness, Research and Training, United Filipino Community Council, Oahu Filipino Community Council, and numerous concerned individuals testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 671, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 177 Higher Education on H.B. No. 1527**

The purpose of this bill is to increase the opportunities available to highly-capable secondary students by offering them college preparatory or college-level courses. Specifically, this bill appropriates funds for the University of Hawaii (UH) to establish a college preparatory online academy.

UH supported the intent of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1527, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 178 Tourism & Culture on H.B. No. 1582**

The purpose of this bill is to support the construction of the Pacific Aviation Museum at Pearl Harbor by appropriating funds for phase two of the development plan.

The Pacific Aviation Museum-Pearl Harbor, The Chamber of Commerce of Hawaii, and an individual testified in support of this bill.

Phase one of the Museum was opened to the public on December 7, 2006, in Hangar 37 on Ford Island. Phase two will involve restoration of Hangar 79 and is estimated to cost \$33,000,000. Prior State support has included appropriations of \$1,000,000 for phase one in 2004, and \$500,000 for phase two in 2006. Continued State support is crucial in attracting out-of-state funding for this undertaking.

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. 1582 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Chang, Herkes and Ching.

**SCRep. 179 Tourism & Culture on H.B. No. 1719**

The purpose of this bill is to exempt the following from the general excise tax:

- (1) Amounts received by a submanager of an association of apartment owners or of certain nonprofit homeowners or community associations in reimbursement of sums paid for common expenses;

- (2) Amounts received by an operator of a hotel from the owner of the hotel or from a timeshare association for employee wage and benefit costs disbursed by the operator; and
- (3) Amounts received by a suboperator of a hotel from the owner of the hotel, timeshare association, or operator of the hotel, for employee wage and benefit costs disbursed by the suboperator.

Outrigger Hotels and Wyndham Vacation Ownership, Inc., supported this bill. The Department of Taxation offered comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments to correct drafting style.

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. 1719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1719, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 180 Tourism & Culture on H.B. No. 1603**

The purpose of this bill is to address the problem of illegal bed and breakfasts and vacation rental homes by requiring:

- (1) Each county to submit a report to the Legislature prior to the Regular Session of 2008 regarding:
  - (A) The status of illegal bed and breakfasts and transient vacation rentals; and
  - (B) A county-wide plan, including policies to implement the plan, on how to effectively deal with illegal bed and breakfasts and vacation rental operations;
- (2) The Director of Finance (Director) to immediately withhold transient accommodations tax (TAT) amounts to be transferred to a county upon a county's failure to submit the report within the prescribed time, until the county submits the report to the Legislature; and
- (3) The counties to increase efforts to enforce applicable state and county laws and ordinances and bring the bed and breakfast and vacation rental operations into compliance.

A concerned individual supported this bill. The Hawaii Hotel & Lodging Association supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu, a member of the Maui County Council, Windward Ahupua'a Alliance, and numerous concerned individuals opposed this bill. The Department of Business, Economic Development, and Tourism, Maui Vacation Rental Association, Keep It Kailua, and numerous concerned individuals submitted comments.

Your Committee recognizes that the issue of illegal bed and breakfasts and vacation rentals is a sensitive matter that evokes passionate responses from both sides of the issue. Your Committee has passed this measure out with the intent of continuing discussion as the bill moves forward in the legislative process. Your Committee encourages the stakeholders on both sides of the issue to work together and with county-related entities such as the Hawaii State Association of Counties to develop ways to address this issue that are acceptable to all parties involved.

Your Committee has amended this measure by:

- (1) Requiring the counties, in their reports, to assess the current licensing application process for bed and breakfasts and transient vacation rentals, including ways to provide more opportunities for individuals and businesses to obtain a license;
- (2) Expanding the scope of the plan required of each county from a county-wide plan to a statewide plan;
- (3) Deleting the provision that requires the Director to withhold TAT amounts transferred to a county upon the county's failure to submit the report within the time prescribed;
- (4) Changing its effective date to January 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1603, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 181 Tourism & Culture on H.B. No. 1866**

The purpose of this bill is to protect the health and safety of contestants engaged in mixed martial arts contests and to provide comprehensive oversight of mixed martial arts contests by:

- (1) Establishing the Mixed Martial Arts Commission of Hawaii to regulate mixed martial arts contests; and
- (2) Prohibiting no rules combat, extreme or ultimate fighting, and other similar contests.

Several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that promoters may apply for an annual license that is required to conduct, hold, or give mixed martial arts contests;
- (2) Changing the amounts of the fees required of licensed promoters to unspecified amounts to promote further discussion;

- (3) Removing timekeepers, judges, and seconds from the licensing requirements;
- (4) Changing its effective date to January 1, 2025, 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 Tourism & Culture 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 Second Reading in the form attached hereto as H.B. No. 1866, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 182 Human Services & Housing on H.B. No. 929**

The purpose of this bill is to promote the development of affordable housing by establishing the Incentive and Streamlining Grants Program (Program) to assist the counties in streamlining the planning and permitting process.

The Office of Planning, Catholic Charities Hawaii, Housing Hawaii, and a concerned individual testified in support of this bill. A concerned individual supported the intent of this measure. The Land Use Research Foundation of Hawaii and Windward Ahupua'a Alliance provided comments.

Your Committee has amended this bill by:

- (1) Substituting the term "affordable housing" with "housing affordable to the general workforce";
- (2) Limiting density and height bonuses to developments in the urban core;
- (3) Ensuring that environmental laws apply to these developments;
- (4) Requiring the counties to develop and implement plans, rather than contracting with outside consultants; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 183 Higher Education on H.B. No. 777**

The purpose of this bill is to strengthen teacher recruitment and retention, especially in teacher shortage areas, by appropriating funds to the Hawaii Educator Loan Program, which forgives student loans for individuals who commit to teaching in Hawaii's public schools.

The Hawaii Teacher Standards Board testified in support of this bill. The Department of Education and University of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 777, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 184 Consumer Protection & Commerce/Energy & Environmental Protection on H.B. No. 1004**

The purpose of this measure is to restructure the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

This bill also appropriates funds for additional positions in the Division of Consumer Advocacy and for training of its professional staff.

Testimony in support of this measure was received from the Public Utilities Commission, the Division of Consumer Advocacy, the Gas Company, the Hawaii Solar Energy Association, the Hawaii Energy Policy Forum, the Hawaiian Electric Company, and Honolulu Seawater Air Conditioning, LLC. Life of the Land expressed major concerns.

Your Committees find that this bill effectuates the recommendations made in the Division of Consumer Advocacy's report in response to Act 143, Session Laws of Hawaii 2006. Act 143 required the Division of Consumer Advocacy to "conduct an in-depth review of its organization to develop a comprehensive plan to restructure and supplement the division and its resources to function more effectively and efficiently."

Your Committees have amended this measure by:

- (1) Clarifying that section 2 of the bill shall not be construed to limit any existing authority of the Department of Commerce and Consumer Affairs to restructure the Division of Consumer Advocacy without prior legislative approval;
- (2) Deleting the reference to "researcher" in section 3 to afford the Division of Consumer Advocacy flexibility in determining the nature of the analyst positions necessary to fulfill its mission;
- (3) Deleting section 4 and replacing it with sections 3 and 4 of H.B. No. 1308 so that the additional utility analyst positions will be funded using moneys from the Public Utilities Commission special fund rather than the general fund;

- (4) Adding new sections 6 and 7 to provide funding from the Public Utilities Commission special fund for specialized training of the professional staff of the Division of Consumer Advocacy;
- (5) Changing the effective date to July 1, 2020, to facilitate further discussion of the measure; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1004, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1004, H.D. 1, and be referred to the Committee on Finance.  
Signed by all members of the Committee except Representatives Ito and Saiki.

**SCRep. 185 Consumer Protection & Commerce/Energy & Environmental Protection on H.B. No. 1005**

The purpose of this measure is to restructure the Public Utilities Commission to improve its operations and appropriate funds for restructuring costs.

Your Committee finds that the restructuring provisions in this measure will enable the Public Utilities Commission to efficiently and effectively carry out its duties and, as a result, will greatly benefit the public interest. Furthermore, your Committee notes that these provisions, contained in section 4 of the House Draft 1, are in no measure intended to diminish the existing authority of the Public Utilities Commission to make changes to its structure and organization without legislative approval or statutory amendments.

The Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaii Energy Policy Forum, Sierra Club, Life of the Land, Hawaii Solar Energy Association, Honolulu Seawater Air Conditioning, LLC, Hawaiian Electric Company, Inc., and The Gas Company submitted testimony in support of this measure.

Your Committees have amended the bill by:

- (1) Including the positions of the chief of policy and research, chief of administrative support, chief of consumer affairs and compliance, and utility analysts as exempt from chapter 76, Hawaii Revised Statutes (civil service law);
- (2) Adding a new section that allows the commission to consider renewable energy use in exercising its authority; and
- (3) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1005, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1005, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 186 Consumer Protection & Commerce on H.B. No. 92**

The purpose of this bill is to promote the fair application of the general excise tax (GET) by allowing securities professionals to pay the GET only on their respective share of commissions divided among a number of persons.

The National Association of Insurance and Financial Advisors-Hawaii, Brookstreet Securities Corporation, SunAmerica Securities, Inc., Linsco/Private Ledger Corp., and a concerned individual testified in support of this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that certain professionals such as insurance agents and real estate brokers and salespersons only pay the GET on the amount of a commission actually received in cases where the commission is split among a number of persons. This bill extends the same treatment to securities professionals and prevents their commissions from being subjected to the GET more than once.

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

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

**SCRep. 187 Consumer Protection & Commerce on H.B. No. 273**

The purpose of this bill is to enhance the regulation of sales of annuities by establishing standards and procedures for insurers and insurance producers making recommendations to consumers regarding the purchase or exchange of any annuity.

The American Council of Life Insurers and National Association of Insurance and Financial Advisors-Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. The Business Registration Division of the Department of Commerce and Consumer Affairs opposed this bill.

Your Committee finds that annuities can be an important source of retirement income, and consumers should therefore be afforded a clear understanding of the features, options, and costs of annuities to ensure that these products meet their specific financial situations. This bill would help protect consumers of such products by requiring insurance producers and insurers to have reasonable grounds for believing that a recommendation for the purchase or exchange of an annuity is suitable for the consumer based upon financial information the consumer provides.

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

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

**SCRep. 188 Consumer Protection & Commerce on H.B. No. 1322**

The purpose of this bill is to improve insurance licensing by:

- (1) Reestablishing issuance and service fees for the limited line motor vehicle rental company producer's license;
- (2) Providing that the place of business of licensed adjusters and independent bill reviewers is the place where the licensee principally conducts transactions under the license; and



- (3) Allowing receipt of a resident insurance producer license application for the State of Hawaii within 90 days of the cancellation of the applicant's out-of-state resident license.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of this bill. Catrala-Hawaii submitted comments.

Your Committee finds that this bill seeks to improve DCCA's operations by:

- (1) Amending the insurance licensing statutes to reestablish fees that were inadvertently deleted in previous legislation;
- (2) Making place-of-business requirements for insurance adjusters and independent bill reviewers more consistent with those for insurance producers; and
- (3) Providing a more enforceable standard for the exemption from examination and education requirements for insurance producers previously licensed in another state.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1322 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, McKelvey and Souki.

**SCRep. 189 Consumer Protection & Commerce on H.B. No. 1323**

The purpose of this bill is to encourage growth in the captive insurance industry by establishing an annual maximum aggregate tax on gross premiums for captive insurance companies.

The Department of Commerce and Consumer Affairs; Bank of Hawaii; Arthur J. Gallagher Captive Services (Hawaii); Alliance Captive Insurance Services, LLC; and several concerned individuals testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that establishing a maximum annual premium tax for captive insurers will encourage more business to be conducted through these companies and make Hawaii's captive insurance premium tax structure comparable with those of other U.S. jurisdictions that have imposed similar limits.

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. 1323 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 190 Consumer Protection & Commerce on H.B. No. 1311**

The purpose of this bill is to enhance the regulation of money transmitters by correcting various errors or omissions in the Money Transmitters Act under Chapter 489D, Hawaii Revised Statutes, including:

- (1) Exempting from regulation as money transmitters, foreign banks that are licensed under the laws of the United States or any state and therefore already supervised as financial institutions;
- (2) Correcting an error in the calculation of annual license fees; and
- (3) Authorizing the Commissioner of Financial Institutions to provide reports and other information relating to the examination of money transmitters to certain state agencies having regulatory authority over a money transmitter, and to other state and federal agencies for use in investigating civil or criminal charges against a money transmitter.

The Department of Commerce and Consumer Affairs and the Hawaii Credit Union League testified in support of this bill. The Hawaii Financial Services Association submitted comments.

Your Committee finds that this measure will improve the administration of the Money Transmitters Act, which was enacted in 2006 to ensure the safe and sound operation of the money transmitter industry.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1311 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, McKelvey and Souki.

**SCRep. 191 Consumer Protection & Commerce on H.B. No. 1328**

The purpose of this bill is to deter insurance fraud by including felony insurance fraud relating to workers' compensation, accident and health or sickness, and motor vehicle insurance, as well as mutual benefit societies and health maintenance organizations, among the offenses subject to repeat felony offender sentencing.

The Department of Commerce and Consumer Affairs and the Department of the Attorney General testified in support of this bill.

Your Committee finds that while enhancing the penalties for insurance fraud will help protect the public, there are concerns about the potential impact this bill may have on correctional facilities, including the effect of this measure on prison populations and taxpayer cost.

Your Committee has amended this measure by changing the descriptions of the insurance fraud felonies added to the repeat offender sentencing statute so that the descriptions track the language of each felony's respective statutory section.

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. 1328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1328, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, McKelvey and Souki.

**SCRep. 192 Higher Education on H.B. No. 1868**

The purpose of this bill is to support the Academy for Creative Media (Academy) at the University of Hawaii (UH) in becoming a premiere digital media enterprise that will help build the creative media industry in Hawaii. Specifically, this bill appropriates funds and creates financial incentives for a permanent facility to house digital equipment and media, classrooms, production laboratories, and related facilities for the Academy.

The Department of Business, Economic Development, and Tourism, Department of Taxation, and UH at Manoa testified in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Stipulating that no funds shall be expended for the permanent facility if UH's capital improvement project request for state funding for either a centennial classroom building or a new UH College of Education building is approved;
- (2) Further stipulating that UH shall accommodate the planning, design, and construction of a permanent facility for the Academy in conjunction with either the centennial classroom building project or the new UH College of Education building project; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1868, H.D. 1, and be referred to the Committees on Economic Development & Business Concerns and Tourism & Culture.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Ching.

**SCRep. 193                    Judiciary on H.B. No. 124**

The purpose of this bill is to extend the statute of limitation for actions against a county for damage or injury from six months to two years.

Consumer Lawyers of Hawaii and a concerned individual supported this bill. The State Attorney General and the Corporation Counsel of the City and County of Honolulu testified against this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to promote further discussion; and
- (2) Making a technical, nonsubstantive amendment for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 124, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 194                    Judiciary on H.B. No. 600**

The purpose of this bill is to ensure consistent, accurate, and quality service to any non-English speaking person participating in a legal proceeding by requiring the Judiciary to establish and operate a statewide court interpreter orientation, testing, and certification program.

The Hispanic Center of Hawaii, Domestic Violence Clearing House and Legal Hotline, Hawaii Registry of Interpreters for the Deaf, United Filipino Council of Hawaii, Oahu Filipino Community Council, Filipino Coalition for Solidarity, Hawaii Interpreter Action Network, National Association of Judiciary Interpreters and Translators, and numerous concerned individuals supported this bill. The Judiciary supported the intent of this measure. The Office of the Public Defender submitted 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 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. 600, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 600, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 195                    Judiciary on H.B. No. 1009**

The purpose of this bill is to appropriate funds to provide a settlement for three pending class action lawsuits between the substitute and part-time teachers and the Department of Education (DOE) for retroactive salary adjustments beginning from July 1, 1996 to restore goodwill and better serve Hawaii's public school students.

The Hawaii State Teachers Association, Alston, Hunt, Floyd, and Ing Attorneys at Law, and a concerned individual supported this bill. The Hawaii Carpenters Union, Local 745 supported the intent of this measure. The Department of the Attorney General and DOE opposed this bill.

Your Committee has amended this bill by changing the effective date to January 1, 2050.

As affirmed by the record of votes of 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. 1009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1009, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, B. Oshiro, Souki and Pine. (Representative Marumoto voted no.)

**SCRep. 196                    Judiciary on H.B. No. 1231**

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 nine new claims that have been resolved, totaling \$606,679.55; and

- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1231, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 197 Public Safety & Military Affairs on H.B. No. 1340**

The purpose of this bill is to increase disaster preparedness by encouraging the private development of residential safe rooms.

More specifically, this bill removes the administrative rulemaking authority of the Department of Defense over the design standards for those residential safe rooms and gives the Insurance Commissioner the sole discretion over the definitions, descriptions, specifications, and requirements regarding wind resistive devices.

Your Committee finds that the installation of wind resistive devices in dwellings is eligible for grants awarded by the Insurance Commissioner under the loss mitigation grant program. Under present law, the Insurance Commissioner has the sole discretion over the definitions, descriptions, specifications, and requirements regarding all wind resistive devices except for residential safe rooms, which are presently subject to design standards developed by the Department of Defense through rulemaking. Your Committee believes that placing residential safe rooms on parity with other wind resistive devices will expedite the installation of these life-saving devices, whose installation would otherwise be hindered by cumbersome rulemaking processes.

Your Committee received testimony in support of the measure from the Department of Defense and the Department of Commerce and Consumer Affairs, Insurance Division.

Your Committee has amended this measure by changing the effective date to July 1, 2015 and by making technical nonsubstantive corrections.

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. 1340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1340, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 198 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 1399**

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

The bill also excludes service performed by persons committed to a penal institution from coverage under the unemployment compensation law.

The Department of Labor and Industrial Relations and the Department of Public Safety provided testimony in support of the measure.

Your Committee finds that any individual who performs services for wages or under contract of hire is considered to be employed under chapter 383, Hawaii Revised Statutes, the state employment security law. The Federal Unemployment Tax Act of 1978 and the Balanced Budget Act of 1997 exclude services performed for governmental agencies by inmates from the definition of employment for purposes of the federal law. Hawaii has yet to adopt similar exclusions. If inmates in paid training or educational programs are considered as employed under state law, the cost of employee benefits might jeopardize these needed rehabilitative programs.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1399 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Luke, McKelvey, Souki and Meyer.

**SCRep. 199 Labor & Public Employment on H.B. No. 1745**

The purpose of this bill is to protect employees by:

- (1) Requiring successor employers to retain incumbent employees upon the divestiture of a business;
- (2) Assessing penalties for noncompliance with worker retention requirements; and
- (3) Creating a Worker Retention Trust Fund to compensate dislocated workers.

ILWU Local 142, Hawaii State Teachers Association, and International Brotherhood of Electrical Workers testified in support of this bill. The Department of Labor and Industrial Relations, Chamber of Commerce of Hawaii, National Federation of Independent Business-Hawaii, Hawaii Hotel & Lodging Association, and Retail Merchants of Hawaii testified in opposition to this measure.

Many employees fear losing their jobs because of business takeovers. A mass layoff caused by a divestiture poses problems, not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues.

At the same time, your Committee understands concerns that this measure may also cause undue hardship for employers. Nevertheless, your Committee feels that a compromise solution can be worked out and that this issue warrants further discussion.

Accordingly, your Committee has amended this measure by:

- (1) Removing the requirement that the priority for retention of employees by the successor employer be based on an employee's seniority accrued under the former employer;
- (2) Inserting language that enables successor employers that acquire a clearly identifiable and segregable portion of the predecessor's organization, trade, or business to also acquire a predecessor's unemployment insurance contribution rate until December 31, 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1745, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 200 Energy & Environmental Protection on H.B. No. 869**

The purpose of this bill is to appropriate funds to the University of Hawaii to conduct a study on energy efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the study to be financed under this measure will provide useful information toward achieving the State's energy policies as articulated in the Hawaii State Planning Act. Specifically, these policies relate to energy dependability, efficiency, and economy as well as energy self-sufficiency, energy security, and the control of greenhouse gas emissions.

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. 869 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 201 Energy & Environmental Protection on H.B. No. 1485**

The purpose of this measure is to establish mandatory penalties for illegal dumping of solid waste.

The bill also requires the Department of Health to develop and administer an illegal dumping awareness program, and appropriates money therefor, and requires persons convicted of illegal dumping to attend the program as part of their sentence.

Testimony in support of this bill was received from the Department of the Attorney General, the County of Hawaii, and the Windward Ahupuaa Alliance. The Department of Health opposed this measure.

Your Committee finds that, despite the enactment in recent years of new offenses, illegal dumping continues to be a problem. In addition to the mandatory fines and community service proposed, this bill also requires forfeiture of the vehicle used to commit the offense of illegal dumping. These penalties will improve the deterrent effect of existing law and also disable those who use a vehicle to dump solid waste illegally.

Your Committee has amended this measure by:

- (1) Deleting language creating an illegal dumping awareness program and appropriating funds therefor;
- (2) Clarifying the forfeiture provision by deleting the requirement that law enforcement retain custody of the vehicle pending payment of fines by first offenders;
- (3) Clarifying language to ensure that the mandatory fines and other penalties apply even if the defendant's plea is deferred pursuant to chapter 853, Hawaii Revised Statutes;
- (4) Inserting a savings clause as section 3 and renumbering the remaining sections accordingly;
- (5) Changing the effective date to July 1, 2007; and
- (6) Making technical nonsubstantive changes 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 H.B. No. 1485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1485, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 202 Economic Development & Business Concerns on H.B. No. 200**

The purpose of this bill is to ensure that Natural Energy Laboratory of Hawaii Authority (NELHA) rates for pumped deep sea water are reasonable by directing the Auditor to:

- (1) Conduct a financial and management audit of the deep water pumping system; and
- (2) If necessary, determine a reasonable rate for the pumped sea water.

This bill also mandates NELHA to implement any rate structure recommended by the Auditor.

NELHA and the Hawaii Aquaculture Association testified in support of this bill.

Your Committee finds that the principal purpose of NELHA is to provide services and resources to tenant companies engaged in ocean-related research, education, and products. Since 1995, NELHA has been moving toward self-sufficiency at the request of both the Administration and the Legislature. NELHA's largest operating cost is the cost of pumping deep seawater to its tenants for their aquaculture operations and at present, the amount charged by NELHA for this service does not cover its costs.

The audit proposed by this bill will provide a baseline for cost allocation considerations, such as who should pay the cost of NELHA's pipeline system for moving seawater, as well as the cost of repair and replacement. Your Committee also recognizes that NELHA, by creating an opportunity for investment in Hawaii's high technology sector and generating new jobs in this sector, likely contributes more in return for the State's investment than the service fees and rents that NELHA collects. Accordingly, your Committee has amended this bill by:

- (1) Requiring the Auditor to consider NELHA's downstream effects on the local and state economy in establishing any rate structure;
- (2) Changing the effective date of the bill to July 1, 2034, to encourage further discussion of this measure; and

- (3) Making technical, nonsubstantive amendments for purposes of 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. 200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representative Ching.

**SCRep. 203 Economic Development & Business Concerns on H.B. No. 338**

The purpose of this bill is to invest in the diversification of Hawaii's economy by establishing the Hawaii Innovations Partnership Corporation and a \$100,000,000 Hawaii Innovations Partnership Special Fund to provide research and development grants, seed capital, and business and technical support for ventures in advanced technology, life sciences, and renewable energy.

The Hawaii Venture Capital Association and a concerned individual supported this bill. Honolulu Seawater Air Conditioning, LLC, supported the bill with amendments. The Department of Business, Economic Development, and Tourism, Hawaii Strategic Development Corporation, and High Technology Development Corporation supported the intent of this bill. The Department of Budget and Finance did not support this bill. The Office of Information Practices commented.

Your Committee has amended this bill to encourage further discussion by:

- (1) Replacing references to the \$50,000,000 minimum balance of the Hawaii Innovations Partnership Special Fund and the Hawaii Innovations Partnership Investment Fund with a blank amount; and
- (2) Changing the bill's effective date to July 1, 2034.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 204 Economic Development & Business Concerns on H.B. No. 932**

The purpose of this bill is to develop concrete plans and a unified vision for the future of Hawaii's high technology sector through the establishment of a High Technology Industry Task Force.

The Department of Taxation and the High Technology Development Corporation submitted testimony supporting this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to allow further discussion of the measure; 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. 932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 932, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan and Ching.

**SCRep. 205 Economic Development & Business Concerns on H.B. No. 1010**

The purpose of this bill is to support the State's technology sector marketing and outreach efforts by appropriating an unspecified amount of funds to allow members of the economic development boards (EDBs) of each county to participate in, and present Hawaii's technology story at, mainland exhibitions and conferences.

The Department of Business, Economic Development, and Tourism, Workforce Development Council, Kauai Economic Development Board, Inc., Maui Economic Development Board, Economic Development Alliance of Hawaii, and Trex Hawaii, LLC, provided testimony in support of this bill.

Your Committee understands that private-sector EDBs are funded by the State's Workforce Development Council and are actively marketing the State's high technology industry to former Hawaii residents who possess the skills needed by the industry.

Your Committee has amended this bill by:

- (1) Inserting an appropriation of \$250,000; and
- (2) Changing the bill's effective date to July 1, 2034, to allow further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1010, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan and Ching.

**SCRep. 206 Economic Development & Business Concerns on H.B. No. 1056**

The purpose of this bill is to reduce the regulatory burdens that administrative rules place on small businesses by making an appropriation for a boards and commissions administrative assistant position to assist the Small Business Regulatory Review Board (Review Board).

The Review Board, Hamakua Macadamia Nut Company, and a concerned individual submitted testimony in support of the bill. The Department of Business, Economic Development, and Tourism supported the intent of the bill.

Your Committee finds that the Review Board is responsible for reviewing any rule adopted by a state agency at the request of a small business owner, and recommending rule or statutory changes. Your Committee heard testimony that temporary employees have been assigned to assist the Review Board in the past.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to allow further discussion on this measure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1056, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan and Ching.

**SCRep. 207 Economic Development & Business Concerns on H.B. No. 1781**

The purpose of this bill is to allow existing high technology business in Hawaii to grow and diversify by appropriating \$6,000,000 to be matched by federal grants and private donors, for the planning, design, and construction of a Technology and Innovation Center (Center) on Oahu for the dual use technology industry.

The Mayor of the City and County of Honolulu, Enterprise Honolulu, Economic Development Alliance of Hawaii, Maui Economic Development Board, Kauai Economic Development Board, Hawaii Island Economic Development Board, MELE Health Information Systems, Harbor Wing Technologies, Hawaii Venture Capital Association, Bump Networks Inc., Referentia Systems Incorporated, Williams Aerospace, Inc., SEE/RESECUE Corporation, Ambient Micro, and isisHawaii supported this bill. The Department of Business, Economic Development, and Tourism (DBEDT) and High Technology Development Corporation supported the intent of this measure.

Your Committee finds that the Center envisioned by this bill will serve existing businesses in Hawaii that are positioned to take advantage of federal Department of Defense funding for the dual use technology industry. This industry develops technology that may be used by both the defense and commercial sectors. An example of a dual use company is SEE/RESCUE Corporation, which develops survival technology for the military and civilian markets and recently received a grant for its Portable Personal Motion Detector technology.

The Center would provide an affordable office and manufacturing facility for Hawaii companies and an environment where these companies can easily team with, and obtain grants through their relationships with other high technology partners, including more established, mainland mentor companies.

In addition, your Committee heard testimony that centers like the one proposed in this bill already serve as a resource for schools, by allowing students to be introduced to careers and opportunities in advanced technology through guest speakers, sponsorships, event development, and site visits.

Your Committee has amended this bill by:

- (1) Removing references to the Hawaii Technology Development Venture as a development partner, and specifying that DBEDT's, High Technology Development Corporation (HTDC) will spearhead the project along with Enterprise Honolulu;
- (2) Requesting the Department of Land and Natural Resources to work with HTDC to identify state lands appropriate to be leased for the Center; and
- (3) Changing its effective date to July 1, 2034, to allow further discussion.

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. 1781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1781, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan and Ching.

**SCRep. 208 Economic Development & Business Concerns on H.B. No. 584**

The purpose of this bill is to provide incentives for workforce development by high technology businesses by establishing a tax credit for the costs that a high technology business incurs in establishing and operating an education program for public high school students.

Oceanit and the Hawaii Science and Technology Council supported the measure. The High Technology Development Corporation supported the intent of the bill. The Department of Taxation offered comments.

Your Committee finds that many of Hawaii's high technology companies recognize the importance of fostering student interests in science and engineering, and currently participate in and support student educational events. This bill gives companies a further incentive to continue and increase their efforts.

Your Committee has amended this bill by:

- (1) Removing the provision in the bill to recapture the tax credit if the taxpayer no longer qualifies for the credit;
- (2) Changing its effective date to July 1, 2034, to allow further discussion of the 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 584, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan and Ching.

**SCRep. 209 Judiciary on H.B. No. 319**

The purpose of this bill is to provide for the automatic repeal of administrative rules when the underlying statute or ordinance has been repealed.

The State Attorney General testified against this measure.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to promote further discussion.

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

Signed by all members of the Committee.

**SCRep. 210 Finance on H.B. No. 1073**

The purpose of this bill is to exclude legislative session employees from membership in the Employees' Retirement System throughout their employment as session employees.

The Chief Clerk of the House of Representatives 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. 1073 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 211 Higher Education/Labor & Public Employment on H.B. No. 1011**

The purpose of this bill is to foster public comment by requiring the University of Hawaii (UH) Board of Regents to disclose proposed compensation or compensation changes for administrative positions in the UH system.

The UH Professional Assembly testified in support of this bill. UH opposed this measure. The Office of Information Practices offered comments.

Your Committees have amended this bill by:

- (1) Specifying that the proposed compensation or change in compensation is to be disclosed upon request;
- (2) Changing the effective date to July 1, 2059, 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 Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1011, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1011, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Lee, Shimabukuro, Ching and Pine.

**SCRep. 212 Health on H.B. No. 1119**

The purpose of this measure is to increase access to primary care physicians in rural areas of the State that are medically underserved.

Specifically, the measure makes an appropriation to:

- (1) Stabilize the rural primary health care services provided on Oahu by the University of Hawaii John A. Burns School of Medicine Department of Family Medicine and Community Health through its family medicine residency program; and
- (2) Expand workforce development in the county of Hawaii by developing a Hawaii island family medicine rural training track to provide additional opportunities for family physician training.

The State Health Planning and Development Agency, the Department of Family Medicine and Community Health of the John A. Burns School of Medicine at the University of Hawaii, Hawaii Medical Service Association, Hawaii Health Systems, Hawaii Pacific Health, and the Hawaii Psychiatric Medical Association submitted testimony in support of the measure. The Department of Health and the John A. Burns School of Medicine of the University of Hawaii submitted testimony in support of the intent of the measure.

Your Committee recognizes that areas of the State are federally designated as medically underserved areas and health professions shortage areas. Additionally, residents in some areas comprise a federally designated medically underserved population. Because of the shortage of physicians in these generally rural areas, access to affordable health care is difficult, if not impossible. A family practice residency program that includes training and experience in rural primary health care would train future family physicians to provide appropriate care to medically underserved rural residents in a medically appropriate and culturally sensitive manner.

Currently, the John A. Burns School of Medicine at the University of Hawaii at Manoa offers a three-year residency program in family medicine, the only civilian family medicine program in the State. Federal funding through the Centers for Medicare and Medicaid Services provided the initial financial support for a rural health care demonstration project, established in 2006 in Hilo, which gives family medicine residents training and experience in rural health care. In addition, the demonstration project served to provide health care for medically underserved residents of Hawaii. Permanent rural health care training programs in rural areas of neighbor islands would not only provide workforce development opportunities, but they also would increase health care options for the medically underserved residents of those rural areas.

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. 1119 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 213 Health on H.B. No. 1477**

The purpose of this bill is to improve healthcare access for the people of Hawaii by establishing a statewide rural training model that produces a robust, well trained primary healthcare workforce and places family physicians in rural areas.

Specifically this bill would establish a statewide rural training model that would place primary care physicians in medically underserved areas and create a support system around them, which in turn will help establish a primary healthcare workforce in medically underserved areas. This will be accomplished by expanding the family medicine residency program sponsored by the John A. Burns School of Medicine at the University of Hawaii and Wahiawa General Hospital. The approach of training physicians in rural areas for the remaining two years of their program at rural training sites is predicated on the fact that physicians tend to remain and practice where they train.

This bill also appropriates funds to cover the start-up costs of implementing this expanded physician training model. Once established, the model will be funded through a combination of the Federal Centers for Medicare and Medicaid Services, clinical revenue, and support from rural hospital and community health center partners.

Your Committee finds that there exists a severe primary healthcare workforce shortage in many rural areas of Hawaii. Measures must be taken to supply a primary healthcare workforce to provide proper healthcare, particularly in the rural areas of Hawaii, and to control future healthcare costs.

The following submitted testimony in support of H.B. No. 1477: the Department of Health, the State Health Planning and Development Agency, the John A. Burns School of Medicine University of Hawai'i at Manoa, Hawaii Medical Service Association, the Hawai'i Primary Care Association, the Hawaii Health Systems Corporation, and the Hawaii Psychiatric Medical Association.

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. 1477 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 214 Health on H.B. No. 1479**

The purpose of this bill is to achieve parity for part-time workers and sole proprietors without employees who seek group health insurance by providing part-time workers, self-employed workers, and sole proprietors without employees who are not incorporated, with access to insurance policies with benefits comparable to full-time workers. This bill also prohibits group health insurers from imposing certain eligibility requirements.

The Hawaii Association of REALTORS testified in support of this bill. The State Insurance Commissioner and the Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1479, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 215 Health on H.B. No. 466**

The purpose of this bill is to provide sexual assault survivors with informed access to emergency contraceptives by:

- (1) Requiring hospitals that provide medical care to a sexual assault survivor to:
  - (A) Provide accurate information on emergency contraception to these survivors;
  - (B) Inform these survivors that they have the option to receive emergency contraception at the hospital;
  - (C) Provide emergency contraceptives to these survivors upon request; and
  - (D) Ensure that each person at the hospital providing medical care to a survivor receives training regarding emergency contraception and sexual assault treatment;
- (2) Authorizing funding for the emergency contraceptives to be provided from the Domestic Violence and Sexual Assault Special Fund; and
- (3) Allowing the Department of Health to impose fines for failure to comply with these requirements.

Planned Parenthood of Hawaii, American Civil Liberties Union of Hawaii, The Sex Abuse Treatment Center, Healthy Mothers, Healthy Babies Coalition of Hawaii, Oahu County Committee of the Democratic Party, Community Alliance on Prisons, and several individuals testified in support of this bill. St. Francis Healthcare System of Hawaii, Hawaii Medical Center, and the Department of Health opposed this measure. Hawaii Family Forum and Roman Catholic Church in the State of Hawaii offered comments.

Your Committee has amended this bill by:

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

Serious discussions need to occur before consensus can be reached between parties who oppose the provisions of this bill due to religious tenets and those who believe that hospitals should be required to provide these types of treatment.

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. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 466, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 216 Health on H.B. No. 1792**

The purpose of this bill is to improve the chances of recovery for those addicted to crystal methamphetamine by:

- (1) Facilitating a review of the pilot studies being conducted in other states on the use of the PROMETA treatment protocol to address the withdrawal cravings of crystal methamphetamine addicts;
- (2) Developing a plan to adopt the PROMETA treatment protocol as an alternative drug abuse treatment program for persons convicted of substance abuse or related offenses; and
- (3) Requiring the Department of Health (DOH) to conduct price negotiations for use of the PROMETA treatment protocol.



Several concerned individuals supported this bill. DOH and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1792, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro. (Representative Belatti voted no.)

**SCRep. 217 Health on H.B. No. 1476**

The purpose of this bill is to require the Insurance Commissioner to administer a health insurance purchasing pool that will provide health insurance coverage to employees who are not eligible for coverage under the Hawaii Prepaid Health Care Act.

Specifically, this measure requires the Insurance Commissioner to contract with health care plan carriers to provide such health care coverage at premium levels that do not exceed one hundred and ten per cent of the median price of health insurance offered in the State. Furthermore, this measure requires the Insurance Commissioner to subsequently use a bid process to transfer administrative and fiscal responsibility for the program to a nonprofit entity. This bill also establishes a special fund to finance the operations of the health insurance purchasing pool.

Testimony in support of the measure was received from the Hawaii Association of Realtors. Testimony in opposition to the portion of the measure that exempts the purchasing pool from the procurement code was received from the State Procurement Office. Comments on the measure were received from the Insurance Commissioner, the Hawaii Medical Service Association, and Kaiser Permanente.

Your Committee finds that a significant number of employees in the private sector are not covered by health insurance despite the success of the Hawaii Prepaid Health Care Act. Specifically, these employees include, but are not limited to, part-time or seasonal employees, and employees of family businesses. Your Committee finds that this measure will ensure that health insurance is made both available and affordable to the presently uninsured.

Your Committee notes that the Insurance Commissioner supports the concept of the bill but expressed concerns that, if enacted in its present form, the measure may have unintended consequences and raise issues of conflict with regard to the Insurance Commissioner's role as contemplated by the measure. Your Committee takes the Insurance Commissioner's concerns under advisement and will hereafter work with the Insurance Commissioner and other committees to resolve the matter accordingly.

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. 1476 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 Shimabukuro.

**SCRep. 218 Health on H.B. No. 1893**

The purpose of this measure is to establish licensing requirements for genetic counselors in the State.

Your Committee finds that licensing genetic counselors is an important method for the public and health care providers to identify genetic counselors and practitioners that have the training necessary to provide genetic counseling services.

The Department of Health, Hawaii Community Genetics, the March of Dimes, and seven genetic counselors submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1893 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 Shimabukuro.

**SCRep. 219 Health on H.B. No. 1118**

The purpose of this bill is to protect the health of residents of the State by preventing unnecessary deaths from prostate cancer and colon cancer.

Specifically, this bill mandates the provision of health coverage for prostate cancer and colorectal cancer in the State by all health and accident insurers, mutual benefit societies that offer hospital and medical health plans, and health maintenance organizations.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and two individual Hawaiian civic clubs. Kaiser Permanente submitted testimony in opposition to this measure, while the Insurance Commissioner, HMSA, and the American Cancer Society submitted comments.

Your Committee finds that colorectal cancer is the second leading cause of death among native Hawaiians and the second leading cause of cancer death in the United States. However, colorectal cancer screening can provide detection of precancerous polyps and early carcinomas resulting in either less extensive surgery or only simple colonoscopic extraction in many cases so that no person diagnosed with these lesions need suffer and die from colon cancer.

Your Committee also finds that the likelihood of developing prostate cancer in men is one in six, and prostate cancer is the third leading cause of cancer death in native Hawaiians and a leading cause of cancer death nationwide. However, the use of prostate cancer screening can result in early detection and treatment of prostate cancer.

Your Committee believes that the health coverage for prostate cancer and colorectal cancer screening required by this bill will not only save lives but also prove to be cost-effective by preventing the need for more extensive and expensive medical procedures.

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. 1118 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 Shimabukuro.

**SCRep. 220 Health on H.B. No. 1335**

The purpose of this measure is to conform the osteopathy licensing laws to the physician and surgeon licensing laws.

Specifically, this measure adds provisions to the osteopathy licensing laws that are presently found only in the physician and surgeon licensing laws. These provisions relate to educational teaching licenses, training replacement temporary licenses, duty to report wounds, consent to a postmortem examination, intentional termination of pregnancy, exemptions from licensure, limited and temporary licenses, continuing education, and denials of licenses.

Your Committee received testimony in support of this administration measure from the Board of Medical Examiners, Department of Commerce and Consumer Affairs.

Your Committee finds that the same board, specifically, the Board of Medical Examiners, regulates both doctors of medicine and doctors of osteopathy despite the fact that the two types of doctors are regulated under two separate licensing statutes that are administered by two boards that are separate on paper, specifically, the "Board of Medical Examiners" and the "Board of Osteopathic Examiners". Your Committee finds that doctors of medicine and doctors of osteopathy are similar in many respects, including their scope of practice, and therefore, the approach to the regulation of these two professions should be accomplished in as uniform a manner as possible.

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. 1335 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 Cabanilla and Shimabukuro.

**SCRep. 221 Health on H.B. No. 1368**

The purpose of this measure is to improve the administration of the Hospital and Medical Facilities Special Fund.

Your Committee received supporting testimony from the Department of Health.

Your Committee finds that the increasing responsibilities and duties of the Office of Health Care Assurance requires updates and changes to law. This measure addresses the Office's needs by changing name of the Hospital and Medical Facilities Special Fund to properly identify the Office of Health Care Assurance as the administrator of the special fund. This measure also allows the deposit of administrative fines into the special fund and permits its use to offset program expenses in addition to meeting educational responsibilities.

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. 1368 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 Cabanilla and Shimabukuro.

**SCRep. 222 Health on H.B. No. 843**

The purpose of this bill is to authorize the Hawaii Health Systems Corporation (HHSC) to bring Kahuku Hospital under its governance through formal affiliation with the HHSC and to provide for transitional facilitation by the Director of Health.

HHSC, the Principal of Kahuku High and Intermediate School, Healthcare Association of Hawaii, Polynesian Cultural Center, Koolau Loa Neighborhood Board No. 28, United Public Workers AFSCME, Local 646, AFL-CIO, Staples Realty, Inc., and numerous concerned individuals supported this bill. The Department of Health supported the intent of this measure. The State Procurement Office submitted comments on this bill.

Your Committee remains cognizant of the financial implications that may be incurred due to affiliating Kahuku Hospital with HHSC and finds that it is important that DOH continue to monitor the impact this action may have on the State's healthcare system and advise the Legislature on any long-term problems that may occur.

Your Committee has amended this bill by:

- (1) Deleting the provision that exempted Kahuku Hospital, upon becoming affiliated with HHSC, from the Chapter 103D, Hawaii Revised Statutes (HRS), the State Procurement Code and Chapter 103F, HRS, purchases of Health and Human Services; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 843, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 223 Health/Human Services & Housing on H.B. No. 825**

The purpose of this bill is to enable the development of a statewide policy to establish a comprehensive and sustainable community-based family caregiver support system for family caregivers who care for elderly individuals with physical or cognitive disabilities.

Specifically, this bill:

- (1) Extends for one year until June 30, 2008, the term of the joint legislative committee on family caregiving established under Act 285, Session Laws of Hawaii 2006;
- (2) Authorizes the joint legislative committee to explore establishing a paid family leave program under the State's Temporary Disability Insurance law; and
- (3) Provides a broader definition of "family caregiver" to include persons who have no blood relationship to the care recipient and grandparents who care for their grandchildren who are eighteen or younger who have physical or cognitive disabilities.

The Hawaii Alliance for Retired Americans, AARP Hawaii, ILWU Local 142, Hawaii's Voice for a Better Future, and the Policy Advisory Board For Elder Affairs submitted testimony in support of this measure.

Your Committees find that, due to a shortage of care providers in Hawaii, family caregiving has become a critical element of our health and long-term care system. Families, rather than institutions, are the primary providers of long-term care for older adults in Hawaii. Caregivers are motivated to provide care to family members because of the preference of the elderly to remain at home with their families and the high cost of institutional long-term care. Sixty-five per cent of Hawaii's caregivers are employed in addition to their caretaking responsibilities. To balance their employment and elder care roles, working caregivers take leaves of absence, report to work late or leave early, change from full-time to part-time employment, switch to less demanding jobs, retire early, or give up work completely. Consequently, caregiving may reduce a caregiver's retirement income because of reduced work hours or fewer years in the workforce, resulting in reduced contributions to pensions, social security, and other retirement savings. As Hawaii's population ages, many more families will be providing higher levels of long-term care to frail and disabled older adults at home.

Your Committees believe that this bill will provide the joint legislative committee with adequate time to complete its tasks. Furthermore, your Committees believe that the broader definition of "family caregivers" and the additional authorization for the joint legislative committee to explore establishing a paid family leave program under the State's Temporary Disability Insurance law will give further support to the State's family caregiver support system.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 825 and recommend that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Takai.

**SCRep. 224 Health/Human Services & Housing on H.B. No. 1008**

The purpose of this bill is to ensure health care for all of Hawaii's children by:

- (1) Establishing the Hawaii Children's Health Care Program (Children's Program) as a temporary three-year pilot program to provide health care coverage to uninsured children; and
- (2) Providing access to medical care under QUEST-Net free-of-charge for children whose family income is at or below 300 percent of the federal poverty level for Hawaii.

The Hawaii Medical Service Association, Hawaii Primary Care Association, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaii Pacific Health, and several concerned individuals supported this bill. The Department of Human Services (DHS), Family Voices of Hawaii, and a concerned individual supported the intent of this measure. A concerned individual provided comments on this bill.

Your Committees have discussed this bill at length with representatives from the Administration, health care industry, consumer advocates, and the general public. Through this open, public forum, concerns were heard regarding the six-month waiting period placed in this measure to discourage children from being dropped from an existing private health insurance plan to enroll in the Children's Program and effectively crowding out eligible children who were truly in need of this program. Other options such as an annual cap on enrollees were presented to replace the six-month waiting period, but your Committees have decided not to remove this provision. However, it is encouraged that this discussion should continue as this bill progresses through the legislative process.

An additional concern raised while hearing this measure was that public worker unions may attempt to use the Children's Program as an option in their health benefits offerings to save money. A use such as this would go against the intended purposes of this program. Your Committees find that the temporary status of this three-year pilot program may act as a deterrent to such actions as well.

Your Committees have tried to address the concerns raised by the Governor last year when she vetoed a nearly identical bill. One provision that allows children who are currently covered by a managed care plan's Children's Program to be eligible for this pilot program has been left in. We believe the Governor's claims of this causing a "crowd-out" of other needy children are unsubstantiated and that there will be enough room to provide for all of Hawaii's children who need health insurance.

To provide the most comprehensive coverage for Hawaii's Keiki, your Committees have amended this bill by:

- (1) Placing annual caps on enrollment of 10,000 enrollees during fiscal year 2007-2008 and 20,000 enrollees during fiscal years 2008-2010;
- (2) Requiring DHS and any participating managed care plan to report to the Legislature annually no later than 20 days prior to the 2008 and 2009 regular sessions;
- (3) Providing free health care coverage for immigrant children whose family's income is at or below 300 percent of the federal poverty level for Hawaii;
- (4) Creating the Hawaii Infant Care Special Fund (Special Fund) to be administered by DHS to provide up to \$10,000 in health care services to each uninsured infant who is one to 31 days of age;
- (5) Directing DHS to seek out health care providers to participate in a dollar-for-dollar matching funds, public-private partnership to continue providing services to infants once the \$10,000 threshold has been met;
- (6) Appropriating \$500,000 to the Special Fund; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1008, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Awana.

**SCRep. 225 Labor & Public Employment on H.B. No. 1691**

The purpose of this bill is to modify the provisions of the Hawaii Family Leave Act by providing the employee, and not the employer, with the option of substituting accrued paid leave, such as vacation, personal, or paid family leave, for any part of the four-week period allowed for family leave. Currently, family leave may consist of paid leave, unpaid leave, or a combination of paid and unpaid leave.

The Hawaii State Teachers Association, International Brotherhood of Electrical Workers Local 1357, The International Association of Machinist Union, International Association of Machinist and Aero Space Workers, Hawaii Government Employees Association, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and an individual testified in support of this bill. The Retail Merchants of Hawaii and The Chamber of Commerce of Hawaii opposed this measure. The Department of Labor and Industrial Relations offered comments.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1691 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 226 Education on H.B. No. 1522**

The purpose of this bill is to prepare Hawaii's youth to become responsible and productive citizens by:

- (1) Establishing and appropriating funds for the Civic Responsibility Education Grant Program in the Department of Education (DOE) for the development of interdisciplinary curriculum, cross-discipline lesson plans, educational materials, and community-based projects that promote civic learning; and
- (2) Appropriating funds for teacher training and social studies resource materials for complexes and schools as needed to incorporate civic learning.

The Center for Civic Education, League of Women Voters, Kids Voting, and several concerned individuals testified in support of this bill. 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 is in accord with the intent and purpose of H.B. No. 1522 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, Shimabukuro and Takamine.

**SCRep. 227 Education on H.B. No. 1630**

The purpose of this bill is to prepare students for the information technology age by providing a comprehensive project-based and student-centered learning program in which students are responsible for their own learning. Specifically, this bill appropriates funds for a grant-in-aid to the Economic Development Alliance of Hawaii, Inc. (EDAH), to maintain its Project EAST Program (Program) in existing schools, and expand the Program to schools statewide.

The Department of Business, Economic Development, and Tourism, Department of Education Kauai Complex Area Schools, Hawaii State Teachers Association, Kauai Economic Development Board, Inc., Maui Economic Development Board, Inc., HC&S, Trex Hawaii, LLC, Advanced Materials, Molokai Chamber of Commerce Foundation, Maui Chamber of Commerce, Hoike Technology, General Dynamics Advanced Information Systems, a member of the Maui County Council, and numerous concerned individuals testified in support of this bill. EDAH and the Hawaii Island Economic Development Board supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Deleting the appropriation for a grant-in-aid to EDAH and replacing it with an appropriation to be deposited into the Hawaii 3Ts School Technology Laboratories Fund established pursuant to section 302A-1314, 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1630, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Takamine.

**SCRep. 228 Education/Labor & Public Employment on H.B. No. 1508**

The purpose of this bill is to acknowledge the critical work done by the Superintendent of Education (Superintendent) in leading Hawaii's public school system by raising the cap on the Superintendent's yearly salary from \$150,000 to \$200,000.

The Board of Education testified in support 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 H.B. No. 1508 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, McKelvey, Saiki, Shimabukuro, Takamine and Pine.

**SCRep. 229 Education/Higher Education on H.B. No. 1268**

The purpose of this bill is to invest in the preparation of a highly-skilled workforce and in innovation as a driver of economic development by:

- (1) Developing a manageable, expandable, comprehensive system of science, technology, engineering, and mathematics (STEM) academies and pre-academies, based on the successful CISCO and construction academy models, that will focus on developing STEM skills in children from their middle school through high school years;
- (2) Improving the quality of STEM teaching in Hawaii's schools by providing enhanced professional development opportunities for practicing teachers and attracting highly qualified people with STEM degrees to the teaching profession;
- (3) Increasing opportunities for high school and college students to gain experience through internships;
- (4) Increasing the number of Hawaii high school graduates who seek degrees or certificates in STEM disciplines by providing them with scholarships to attend accredited institutions of higher education in Hawaii; and
- (5) Increasing the quality of STEM education in Hawaii's postsecondary education institutions through the creation of endowed chairs in the STEM disciplines.

The Governor, Department of Business, Economic Development, and Tourism, Workforce Development Council, University of Hawaii (UH) College of Engineering, High Technology Development Corporation, Hawaii Pacific University, Chaminade University, Maui Chamber of Commerce, Coalition of Hawaii Engineering and Architectural Professionals, American Society of Civil Engineers, Castle & Cooke, Hawaii Institute for Public Affairs, CTA Solutions, National Defense Center of Excellence for Research in Ocean Sciences, Hawaii Association of Independent Schools, and numerous concerned individuals testified in support of this bill. The Department of Education and UH supported the intent of this measure. A concerned individual opposed this bill. A concerned individual offered comments.

Your Committees recognize that there has not been the level of dialogue and collaboration among stakeholders required to craft a comprehensive system of education and workforce development initiatives such as the one intended by this bill. Therefore, your Committees respectfully note that this bill is a work-in-progress.

Your Committees have amended this bill by:

- (1) Simplifying the purpose language;

- (2) Clarifying that the Hawaii Excellence Through Science and Technology (HiEST) Academy Program, Fostering Inspiration and Relevance Through Science and Technology (FIRST) Pre-academy Program, and Business and Education Internship and Mentorship Program are offered to public school students, and the Professional Development Program is offered to public school teachers;
- (3) Regarding the HiEST Academy Program:
  - (a) Removing the limit on the number of high schools at which HiEST academies may be established;
  - (b) Clarifying that HiEST academy courses shall provide students with UH community college academic credit;
  - (c) Requiring the HiEST Academy Program to place priority on engaging all students, whether or not they are involved in advanced placement programs, international baccalaureate programs, or advanced science and mathematics programs;
  - (d) Deleting the specification on the number of high schools that each of the UH community colleges shall endeavor to partner with on their respective islands to establish HiEST academies; and
  - (e) Deleting mention of the specific goals of the HiEST Academy Program;
- (4) Regarding the FIRST Pre-academy Program:
  - (a) Deleting mention of the specific goals of the FIRST Pre-academy Program;
  - (b) Deleting the list of specific activities included in the Research Experiences for Teachers Program; and
  - (c) Deleting the specific fields that contextual learning projects must give priority to;
- (5) Regarding the Professional Development Program:
  - (a) Placing the program within the UH College of Education; and
  - (b) Deleting mention of the specific goal of the program;
- (6) Deleting mention of the specific goal of the federal Department of Education's Transition To Teaching Program;
- (7) Deleting provisions relating to the STEM Scholarship Program and special fund;
- (8) Limiting the Eminent Scholars Program and State Akamai Investment Matching Special Fund to UH, rather than any accredited university in Hawaii;
- (9) Changing all appropriations to unspecified amounts to encourage further discussion;
- (10) Designating the UH College of Education as the expending agency for funds for the Professional Development Program and for stipends for qualified individuals to obtain teaching certificates through UH's post baccalaureate certificate in secondary education program; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1268, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1268, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Takamine.

**SCRep. 230 Tourism & Culture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1169**

The purpose of this bill is to protect historic sites by prohibiting landowners from removing, excavating, injuring, or destroying a potential native Hawaiian historic site on private property, unless the landowner has notified the Department of Land and Natural Resources (DLNR) of the proposed action and of the future use the landowner proposes for the potential native Hawaiian historic site. In addition, this bill, among other things, establishes procedures relating to the disposition of the potential native Hawaiian historic site and penalties for violations.

The Mayor of the County of Hawaii, the Planning Department of the County of Hawaii, Protect Keopuka Ohana, and a concerned individual supported this bill. DLNR supported the intent of this measure. The Society for Hawaiian Archaeology opposed this bill. Kuilima Resort Company submitted comments.

Your Committees find that this measure will provide additional protection for valuable, culturally significant sites that are located on private property.

Your Committees have amended this measure by:

- (1) Inserting a purpose section;
- (2) Removing DLNR's authority to review and comment upon the landowner's proposed action;
- (3) Clarifying that, for the proposed action submitted by the landowner:
  - (A) If the proposed use requires a permit or other entitlement for use, the landowner must complete the process provided for under section 6E-42, Hawaii Revised Statutes, prior to taking any action to remove, excavate, injure, or destroy the potential native Hawaiian historic site; and
  - (B) If the proposed use does not require a permit or other entitlement for use, DLNR must determine within sixty days whether the site in question warrants preservation, and the landowner shall not take action to remove, excavate, injure, or destroy the potential native Hawaiian historic site unless:
    - (i) DLNR determines that the site does not warrant preservation; or

- (ii) The landowner records a covenant running with the land specifying that the landowner will not apply for a permit or other entitlement for use affecting the immediate area containing the potential native Hawaiian historic site, including surrounding areas, for 10 years from the date of recordation;
- (4) Deleting the provision allowing the Governor to allocate, from a contingency fund, an amount sufficient to acquire an option on the property or for immediate acquisition of the property, in condemnation cases where funds for the acquisition of property are not available;
- (5) Specifying that persons who knowingly violate the provisions of this bill shall be subject to penalties pursuant to section 6E-11.5, instead of section 6E-11(f);
- (6) Clarifying that a landowner shall be deemed to have constructive knowledge of potential native Hawaii historic sites on the landowner's property listed in the state inventory of historic places, or shown in any archaeological study of the property with the consent of the owner or the owner's predecessors in title;
- (7) Deleting the savings clause;
- (8) Changing its effective date to January 1, 2025, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1169, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1169, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Sagum and Ching.

**SCRep. 231 Tourism & Culture on H.B. No. 282**

The purpose of this bill is to enhance the quality of life of the people of Hawaii by requiring the Governor to direct the Department of Land and Natural Resources (DLNR) to:

- (1) Dispose of Aloha Stadium and surrounding lands by any appropriate method, including sale, lease, or exchange of land;
- (2) Acquire suitable and adequate lands in the Ewa plains or central Oahu upon which a new stadium may be constructed, by any appropriate method, including purchase, lease, or exchange of land; and
- (3) Ensure that the proceeds of the sale, lease, or land exchange of Aloha Stadium and surrounding lands in paragraph (1) are to be applied to the purchase, lease, or exchange of suitable lands in paragraph (2).

A concerned individual supported this bill. The Pacific Resource Partnership supported the intent of this measure. The Stadium Authority did not support this bill. DLNR and the Department of Accounting and General Services opposed this bill. The Congressman from the First District of Hawaii and the University of Hawaii submitted comments.

Your Committee recognizes the complexities of the issues raised by this bill. A careful, thorough planning process is critical in ensuring that the provisions of this bill are carried out in the most prudent manner possible. In addition, while this measure addresses the future disposition of Aloha Stadium, your Committee finds that the needs of the existing Stadium should not be ignored. Priority should be placed on addressing the immediate repair and maintenance needs of the Stadium.

Your Committee has amended this measure by:

- (1) Providing that the suitable and adequate lands acquired for the construction of a new stadium are located at an appropriate location on Oahu, instead of restricting the lands to the Ewa plains or central Oahu;
- (2) Changing its effective date to January 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 282, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 232 Tourism & Culture on H.B. No. 1104**

The purpose of this bill is to preserve and protect the Kohala Historic Sites State Monument (Monument) by requiring the Department of Land and Natural Resources (DLNR) to consult with the kahuna nui of the Mookini Heiau prior to making alterations or improvements to the Monument.

DLNR, Mookini Luakini, Inc., and several concerned individuals supported this bill.

Your Committee recognizes the importance of this measure in codifying provisions contained in the deed of the Mookini Heiau lands. Requiring the kahuna nui of the Mookini Heiau to be consulted before non-routine alterations or improvements are carried out on the Monument will help to ensure that the Monument remains unspoiled for future generations to appreciate. In addition, your Committee is concerned that the Monument and the Mookini Heiau may be targeted for rampant commercialization as more and more people become aware of their historical and cultural significance.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the consultation requirement for DLNR includes alterations or improvements to the Mookini Heiau; and
- (2) Establishing that prior to any additional organized profit-making venture involving the Monument, including the Mookini Heiau, the entity proposing the venture shall consult with the kahuna nui of the Mookini Heiau.

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. 1104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1104, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 233 Tourism & Culture on H.B. No. 1435**

The purpose of this bill is to support the Honolulu Symphony's fundraising efforts in providing private funds to match state general funds previously appropriated for the State of Hawaii Endowment Fund under Act 97, Session Laws of Hawaii, by:

- (1) Extending the lapse date of general funds appropriated under Act 97 for the State of Hawaii Endowment Fund to June 30, 2009; and
- (2) Including pledges as funds which may be used to match the general funds.

The Honolulu Symphony, Hawaii Arts Alliance, and several concerned individuals supported this bill. The State Foundation on Culture and the Arts offered comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1435 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Chang, Herkes and Ching.

**SCRep. 234 Tourism & Culture on H.B. No. 781**

The purpose of this bill is to promote arts and culture in Hawaii by allowing up to 50 percent of funds in the Works of Art Special Fund (Special Fund) to be used for capital improvement projects (CIP), the purchase of facilities, and the repair and maintenance of facilities dedicated to the arts and culture. In addition, this bill removes CIP appropriations that are designed for renovation of state buildings from the Special Fund's one percent transfer requirement.

The State Foundation on Culture and the Arts opposed this measure.

Your Committee believes that this measure will provide additional CIP-related options for the use of Special Fund monies. In addition, concerns were raised during the public hearing regarding the current situation where CIP monies transferred into the Special Fund are used for operating expenses such as staff salaries.

Accordingly, your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style.

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. 781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 781, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Herkes and Ching. Representative Marumoto voted no.)

**SCRep. 235 Tourism & Culture on H.B. No. 1352**

The purpose of this bill is to celebrate Hawaii's admission to statehood by establishing the 50<sup>th</sup> Anniversary of Statehood Commission (Commission) to plan and coordinate various activities to commemorate the 50<sup>th</sup> Anniversary of Hawaii's admission to statehood.

The Department of Business, Economic Development, and Tourism supported this bill.

Your Committee has amended this measure by:

- (1) Requiring the Commission's membership to include representation of the Executive Branch, Judicial Branch, State Senate, and the State House of Representatives;
- (2) Deleting the provision specifying that all members of the Commission serve at the pleasure of the Governor;
- (3) Changing the deadline for the submittal of the report by the Commission to the Legislature to no later than 20 days prior to the 2008 Regular Session, instead of the 2009 Regular Session;
- (4) Changing the appropriation to a blank amount to encourage further discussion; and
- (5) Changing its effective date to January 1, 2025, to encourage further discussion.

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. 1352, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1352, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Chang, Herkes and Ching.

**SCRep. 236 Tourism & Culture on H.B. No. 1552**

The purpose of this bill is to support the efforts of the Family Celebration Commission to administer the celebration of 2008 as the Year of the Family. This bill appropriates funds for the operating costs of the Commission.

The Ohana Project of the American Family Coalition of Hawaii, Hawaii Family Forum, and the Roman Catholic Church in the State of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amount 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1552, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Chang, Herkes and Ching.

**SCRep. 237 Transportation on H.B. No. 158**

The purpose of this bill is to simplify the inspection and certification of motor carrier vehicles by requiring that inspections and certifications take place annually.

The Department of Transportation, Department of Customer Services of the City and County of Honolulu, Hawaii Transportation Association, Alexander & Baldwin, Inc., Matson Navigation Company, and Horizon Lines testified in support of this bill.

Currently, all commercial motor vehicles have their annual safety inspections conducted during the month in which the vehicle's certificate of motor vehicle registration is issued. Since many of the chassis used by shipping companies are used nationwide and are often on the mainland or in the possession of a customer during the month the vehicle's registration is due, obtaining safety inspections of these vehicles becomes difficult. Providing for annual safety inspections on these vehicles gives shipping companies flexibility while maintaining safety standards.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 158 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 Nakasone and Takamine.

**SCRep. 238 Transportation on H.B. No. 160**

The purpose of this bill is to enable a driver who had a license administratively revoked for life due to multiple driving under the influence convictions a chance to have the license restored under specific circumstances. Specifically, this bill:

- (1) Permits a driver to seek reinstatement of a license no sooner than 10 years since the lifetime revocation was imposed;
- (2) Requires an application for reinstatement of a license to be accompanied by written proof that the individual, within 90 days immediately preceding the application, has been assessed by a certified substance abuse counselor and determined not to be in need of substance abuse treatment due to dependency or abuse; and
- (3) Requires a driver to have had no arrests or convictions for driving while a license is revoked.

The Senior Pastor of the Wahiawa Church of the Nazarene, Senior Pastor of the Bridge Church of the Nazarene, the District Superintendent of the Hawaii Pacific District of the Church of the Nazarene, and the Office of the Public Defender testified in support of this measure. MADD-Hawaii supported the intent of this measure. The Judiciary testified in opposition to this bill.

Your Committee finds that although there are a large number of traffic fatalities due to alcohol-related accidents each year, every individual can be reformed and deserves a second chance, especially if the individual has performed meritorious service for over a decade.

However, your Committee notes that numerous administrative and legal concerns were raised by the Judiciary regarding this measure which are beyond the purview of this Committee. Accordingly, your Committee on Transportation respectfully requests that your Committee on Judiciary review the concerns raised by the Judiciary and address these issues accordingly.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 160 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 239 Transportation on H.B. No. 893**

The purpose of this bill is to decrease traffic congestion by allowing for the operation of larger articulated buses used for public transportation.

The Hawaii Transportation Association testified in support of this bill.

Your Committee finds that the operation of larger articulated buses will help to increase available seats within a public transportation system and may help to increase ridership as well.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 893 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 240 Transportation on H.B. No. 375**

The purpose of this bill is to enhance pedestrian safety by clarifying a driver's duty to stop or yield the right of way to a pedestrian in a crosswalk when traffic control signals are not in place or not in operation.

The Department of Transportation testified in support of this bill.

The number of pedestrians crossing the street that are injured or killed continues to increase every year. In fact, over the last four years, there were 122 pedestrian fatalities many occurring in areas where crosswalk signals are non-existent or not operational. While both inattentive drivers and pedestrians share some of the blame, drivers have the greater potential to cause injury with their vehicles. Your Committee finds that clarifying a driver's duty to stop and yield the right of way for a pedestrian in areas with non-existent or non-operational traffic signals will make Hawaii's streets safer for everyone.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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



**SCRep. 241 Transportation on H.B. No. 357**

The purpose of this bill is to improve pedestrian safety by establishing a two-year pilot program in the City and County of Honolulu (City) to test crosswalk safety enhancements and programs.

The Department of Transportation (DOT), Hawaii Bicycling League, and Policy Advisory Board for Elder Affairs testified in support of this bill.

Pedestrian fatalities in Hawaii remain at an unacceptably high level. Over the past five years, Hawaii averaged slightly over 30 pedestrian deaths a year, ranking Hawaii eleventh nationally in pedestrian deaths. This pilot program addresses an ongoing issue of pedestrian deaths and injury on Oahu's roadways. If successful, the program will be able to be employed in all of Hawaii's counties.

Your Committee notes however, that DOT should be consulted by the City during the testing of new crosswalk safety enhancements and programs when they involve roads under the State's jurisdiction. Accordingly, your Committee has amended this measure by requiring the City to:

- (1) Consult DOT when the testing of crosswalk safety enhancements and programs involve roads under the jurisdiction of the State; and
- (2) Obtain any necessary permits when installing any equipment or devices on state roads.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 357, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 242 Transportation on H.B. No. 806**

The purpose of this bill is to improve pedestrian safety, especially for elderly persons by requiring the Department of Transportation (DOT) to conduct a pilot study to identify state and county intersections where the time to cross the intersection is insufficient for elderly pedestrians.

DOT, AARP Hawaii, Kokua Council, Hawaii Bicycling League, and the Policy Advisory Board for Elder Affairs testified in support of this bill. The Department of Health and Department of Transportation Services (DTS) of the City and County of Honolulu supported the intent of this measure.

Pedestrian fatalities among Hawaii's elderly population is extremely high. In fact, the pedestrian fatality rate for those aged 65 years and older in Hawaii is 169 percent higher than the rest of the nation. One possible reason for the high number of these pedestrian fatalities is that a number of intersections in Hawaii do not allow sufficient time for elderly individuals to cross. Identifying these intersections and correcting this problem is paramount to pedestrian safety.

However, your Committee notes that a majority of the intersections in each county fall under the jurisdiction of the county and that questions were raised by DOT and DTS regarding the impact of lengthening the walk signals would have on traffic and the length of time it would take to conduct this type of study. Accordingly, your Committee has amended this measure by:

- (1) Requiring that DOT conduct the study in conjunction with each county;
- (2) Focusing the study on state and county intersections where there:
  - (A) Are significant elderly populations;
  - (B) Is significant elderly pedestrian traffic; and
  - (C) Are questionable timeframes for elderly persons to cross the street safely;
- (3) Requiring the study to include any impact the lengthening of pedestrian walk times will have on current traffic volumes and congestion;
- (4) Requiring the study to provide remedies to alleviate negative effects of the lengthening of pedestrian walk times; and
- (5) Requiring an interim report to the Legislature prior to the convening of the Regular Session of 2008 and a final report prior to the convening of the Regular Session of 2009.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 806, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 243 Transportation on H.B. No. 497**

The purpose of this bill is to improve Hawaii's bikeway system by earmarking two percent of federally eligible moneys from the State Highway Fund for bikeways and specifying the elements of bikeway development and maintenance.

The Hawaii Bicycling League, Ke Ala Hele Makalae Committee, Maui Bicycling Alliance, Sierra Club-Hawaii Chapter, and several concerned individuals testified in support of this bill. The Department of Transportation Services of the City and County of Honolulu supported the intent of this measure. The Department of Transportation opposed this bill.

Bicycling has the benefits of lessening traffic congestion, lowering repair and maintenance costs of Hawaii's roadways, and improving the overall air quality of our State, as well as the health of our citizens. While bicycling is fast becoming a favored mode of transportation, especially in light of high fuel costs, there are a number of safety concerns bicyclists face on our roads each day. Ensuring a coordinated and continuous system of bikeways will help improve bicycling safety.

However, your Committee has been informed that bike plans exist at both the State and county level and that in order to create this coordinated system of bikeways, county master bicycling plans need to be included in the planning process. Accordingly, your Committee has amended this bill by:

- (1) Requiring that the two percent of eligible federal moneys from the State Highway Fund be used for bikeways, as well as bike paths and bike lanes in both the State and county master bicycling plan; and

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 497, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 244 Transportation on H.B. No. 1823**

The purpose of this bill is to enhance bicycle and pedestrian safety, especially for children, by:

- (1) Establishing a bicycle and pedestrian safety program within the Department of Transportation (DOT); and
- (2) Forming an advisory committee with DOT to study ways to adopt and implement the Safe Routes To School Program in Hawaii.

Ke Ala Hele Makalae, Hawaii Bicycling League, Maui Bicycle Alliance, and numerous individuals testified in support of this bill. DOT and the Department of Health supported the intent of this measure.

Sadly, Hawaii has one of the highest number of pedestrian and bicycle fatalities in the nation. According to the National Highway Traffic Safety Administration's Traffic Safety Fact 2004 Data for Pedalcyclists, Hawaii has more than twice the national average fatality rate for bicyclists. Pedestrian fatality rates in Hawaii are also twice the national average. By establishing a bicycle and pedestrian safety program for all of Hawaii's residents and forming an advisory committee to implement the Safe Routes To School Program, senseless tragedies may be avoided.

Although your Committee understands that DOT is currently working to implement the Safe Routes To School Program and that DOT may not be the most suitable department to establish an education program, the importance of this matter warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1823 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 245 Labor & Public Employment on H.B. No. 989**

The purpose of this bill is to allow public employees to donate accumulated sick leave credits to other employees who are on extended leave due to serious personal illness or injury.

The Hawaii Fire Fighters Association and Hawaii State Teachers Association testified in support of this measure. The Hawaii Government Employees Association supported the intent of this bill. The Department of Human Resources Development, Department of Human Resources of the City & County of Honolulu, and Department of Human Resources of the County of Hawaii opposed this measure.

Your Committee finds that allowing employees to donate their sick leave credits would assist the employees who receive the credits in dealing with serious personal or family illnesses and injuries.

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

Signed by all members of the Committee except Representative Har.

**SCRep. 246 Labor & Public Employment on H.B. No. 1290**

The purpose of this bill is to clarify which beneficiaries of an employee killed in the performance of duty or of a deceased retiree are eligible to become members of the Employer-Union Health Benefits Trust Fund (EUTF).

The Department of Budget and Finance, Attorney General, and EUTF Board of Trustees testified in support of this bill.

Currently, some confusion exists as to who constitutes a "beneficiary" of an employee killed in the line of duty or of a deceased retiree. Although the EUTF has interpreted "beneficiary" to mean an employee's or retiree's spouse and children who meet certain criteria, no definition for beneficiary currently exists. Your Committee finds that clarifying this language will help avoid situations where individuals not entitled to a retiree's or employee's benefits claim they are a "beneficiary" of the individual.

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. 1290 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 247 Labor & Public Employment on H.B. No. 1292**

The purpose of this bill is to ensure compliance with the Internal Revenue Code, thus enabling the Employees' Retirement System (ERS) to maintain its tax-qualified status, by:

- (1) Repealing provisions that allow elective officers to exercise their option to join the ERS at any time during their term of office;
- (2) Repealing provisions that allow elective officers and judges:
  - (A) To withdraw from ERS membership while remaining in office; and
  - (B) Who have reached the 75 percent statutory cap on retirement benefits to withdraw from ERS membership by retiring even though they remain in office;
- (3) Requiring elective officers to exercise a one-time irrevocable option to join the ERS when they are elected for the first time; and
- (4) Setting forth the circumstances under which retirees may return to service as elective officers without suspension of their retirement benefits.

The Department of Budget and Finance, Attorney General, Board of Trustees of the ERS, Office of Hawaiian Affairs, and Hawaii State Teachers Association testified in support of this bill.

Your Committee finds that this measure protects the ERS' tax qualified status, ensuring the favorable tax treatment of employee contributions made on a pre-tax basis.

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. 1292 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 248 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 505**

The purpose of this bill is to make more lands available for the development of affordable housing by:

- (1) Authorizing the Department of Land and Natural Resources(DLNR) to issue 99-year term leases of ceded lands for the development of low- and moderate-income housing; and
- (2) Requiring DLNR to conduct a study and submit a report on the inventory of available ceded lands and their suitability for the development of affordable housing to the 2008 and 2009 legislatures.

DLNR, the Attorney General, and a concerned individual opposed this bill.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 505, H.D. 1, and be referred to the Committee on Human Services & Housing.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 249 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 507**

The purpose of this bill is to preserve legislative oversight over small boat harbors statewide, by prohibiting the transfer of jurisdiction, duties, authorization, programs, records, equipment and materials, funding, or personnel relating to State small boat harbors to any county in any manner unless expressly provided by statute.

The Chair of the Maui County Council, the President of Ocean Tourism Coalition, and a concerned individual testified in support of this bill. DLNR opposed this measure.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 507, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

**SCRep. 250 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1590**

The purpose of this bill is to require the state or county to offer to resell condemned property that:

- (1) Is not used for the condemned purpose after five years have elapsed; or
- (2) Ceases to be used for the purpose for which it was condemned,

to the former owner for the lesser of:

- (1) The current appraised value; or
- (2) The condemnation price plus the cost of environmental remediation or cleanup or other improvements.

Kamehameha Schools, the Hawaii Association of REALTORS, Hawaii Farm Bureau Federation, and the Maui County Farm Bureau testified in support of this bill. The National Federation of Independent Businesses in Hawaii supported the intent of this measure. The Department of the Corporation Counsel of the City and County of Honolulu opposed this bill.

Your Committee has amended this bill by:

- (1) Authorizing, instead of requiring, the state or county to offer the property for repurchase to the former owner, if the condemned property is not used within 5 years or if it ceases to be used for the purpose for which it was condemned;
- (2) Changing the effective date to July 1, 2050, 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 Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1590, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1590, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 251 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1591**

The purpose of this bill is to ensure the payment of fair and just compensation for condemned property, by providing that a plaintiff with the power of eminent domain is required to compensate a defendant condemnee, in addition to damages and losses to trade or business due to the condemnation, reasonable relocation costs, and:

- (1) For agricultural lands, 125 percent of the fair market value;
- (2) For real property occupied as a primary residence, 150 percent of the fair market value; and
- (3) For any other type of real property, 100 percent of the fair market value.

The Hawaii Association of REALTORS and the Hawaii Farm Bureau Federation testified in support of this bill. The Department of Agriculture and National Federation of Independent Businesses in Hawaii supported the intent of this measure. The Department of the Corporation Counsel of the City and County of Honolulu opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the percentages of the fair market value of the three different types of land to unspecified percentages;
- (2) Changing the effective date to July 1, 2050, 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 Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1591, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 252 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1593**

The purpose of this bill is to ensure the payment of fair and just compensation for condemned property by:

- (1) Requiring the condemning authority to make an offer of settlement and setting forth a procedure for condemnation offers; and
- (2) Requiring the condemning authority to reimburse condemnee's litigation costs, including attorneys' fees, if the just condemnation and damages awarded by the trial court to the condemnee is greater than the condemnor's offer of settlement.

The Hawaii Association of REALTORS and the Hawaii Farm Bureau Federation testified in support of this bill. The National Federation of Independent Businesses in Hawaii supported the intent of this measure. The Attorney General and the Department of the Corporation Counsel of the City and County of Honolulu opposed this bill.

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 style, clarity, and consistency.

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

Signed by all members of the Committee except Representative Carroll.

**SCRep. 253 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1905**

The purpose of this measure is to ensure the safety of dams and reservoirs in the State by:

- (1) Requiring all dams, existing and new, to be certified to impound water, with existing dams applying for certification and new dams applying to have their plans and specifications approved prior to construction;
- (2) Allowing the Department of Land and Natural Resources to enter onto property, public or private, at reasonable times and without prior notice to inspect any dam;
- (3) Allowing the Department of Land and Natural Resources to immediately employ remedial emergency measures if it deems any dam or reservoir to be dangerous to the health and safety of persons or property;
- (4) Establishing the dam safety revolving fund to be used by the Board of Land and Natural Resources to administer the dam safety program;
- (5) Establishing the dam rehabilitation loan program, making loans available to dam owners for the repair of dams that the Board of Land and Natural Resources deems are in need of repair but are not in an emergency state; and
- (6) Making an appropriation of \$2,000,000 for purposes of the dam safety program, including the dam rehabilitation loan program.

Your Committee has received testimony from the Department of Land and Natural Resources in support of the general intent of this measure. Your Committee also received testimony from the Office of Hawaiian Affairs and the American Society of Civil Engineers in support of this measure. One individual submitted comments.

In response to a statement by the administration that there are available funds to initiate a dam safety program, your Committee has amended this measure by:

- (1) Deleting the establishment of the dam rehabilitation loan program; and

- (2) Deleting the appropriation contained in this measure.

Your Committee has further amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2050, to permit further discussion; and  
 (2) Making technical nonsubstantive changes for clarity and consistency.

Your Committee further notes that there were other legislative provisions recommended by the special counsel to the Attorney General investigating the Ka Loko dam collapse, some of which were included in the original version of this measure but have been deleted from this amended measure. Your Committee recommends that your Committee on Judiciary consider these other recommendations, and your committee extends its prior concurrence to your Committee on Judiciary for any other amendments it may make to this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1905, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee. (Representatives Morita and Saiki voted no.)

**SCRep. 254 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1555**

The purpose of this bill is to provide a tax credit for costs incurred in the development of a world-class aquarium at Kakaako Makai on Oahu, up to a maximum of \$75,000,000 for all qualified taxpayers in all years.

The Department of Taxation, Department of Business, Economic Development, and Tourism, and a member of the Ala Moana/Kaka'ako Neighborhood Board opposed this bill. The Hawaii Community Development Authority (HCDA) provided 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 style, clarity, and consistency.

Your Committee notes that HCDA, which is the primary agency responsible for the community development of the Kakaako area, suggests that prior to passing this legislation, the Advisory Working Group formed from community members, stakeholder organizations, and individuals to build consensus on a development plan, should be consulted to determine whether the proposed aquarium fits into the collective vision of the Kakaako area.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1555, H.D. 1, and be referred to the Committees on Tourism & Culture and Economic Development & Business Concerns.

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

**SCRep. 255 Human Services & Housing/Health on H.B. No. 436**

The purpose of this bill is to require medical assistance programs such as Medicaid and QUEST, to include chiropractic coverage.

The Hawaii State Chiropractic Association and many concerned individuals testified in support of this bill. The Hawaii Medical Association opposed this measure. The Department of Human Services (DHS) provided comments.

Your Committees heard compelling testimony that chiropractic care can help to save insurance companies and the State money in the long-term by reducing the need for more extensive medical services. Your Committees respectfully urge DHS to include chiropractic coverage under medical assistance programs as a base-budget item, and also request DHS to work with the Hawaii State Chiropractic Association to more accurately determine the number of people that may qualify for such services, and the appropriation required. Testimony reflected inconsistencies with regard to the amount needed for this measure.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 436 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 256 Human Services & Housing/Health on H.B. No. 537**

The purpose of this bill is to continue to improve perinatal, delivery, and postpartum care to women with a history of substance abuse by appropriating \$200,000 in each year of the 2007-2009 fiscal biennium for the Department of Human Services (DHS) to contract with the University Clinical Educational and Research Associates Program at the University of Hawaii Department of Obstetrics, Gynecology, and Women's Health to continue the pilot perinatal clinic and the provision of case management services.

The Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, Hawaii Medical Association, Hawaii State Commission on the Status of Women, Hawaii Substance Abuse Coalition, and several concerned individuals testified in support of this bill. The University of Hawaii System supported the intent of this measure. DHS provided comments.

Your Committees recognize the importance of this measure and urge DHS to include this as a base-budget item in the future. Additionally, your Committees respectfully request DHS and the proponents of this measure to determine whether tobacco settlement moneys could be used for this purpose.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 537 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 257 Human Services & Housing on H.B. No. 327**

The purpose of this bill is to help child sexual abuse victims and their families by appropriating funds to provide treatment services, including psychological treatment and case management services, for child victims of intrafamilial sexual abuse and sexually reactive children who are not covered under the Child Protective Services system of the Department of Human Services.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Catholic Charities Hawaii, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 327 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 258 Human Services & Housing on H.B. No. 329**

The purpose of this bill is to preserve Kukui Gardens as an affordable rental development in Honolulu by appropriating an unspecified sum as a State subsidy to assist in the implementation of any type of negotiated solution.

Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Faith in Action for Community Equity, EAH Housing, and a concerned individual testified in support of this bill. The Hawaii Housing Finance and Development Corporation offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 329 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 259 Human Services & Housing on H.B. No. 667**

The purpose of this bill is to preserve much-needed affordable housing in Honolulu by appropriating funds to finance condemnation and eminent domain proceedings to ensure that the Kukui Gardens Rental Housing Complex will continue to offer apartments at affordable rental rates in perpetuity.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and Faith Action for Community Equity testified in support of this bill. The Hawaii Housing Finance and Development Corporation offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 667 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 260 Human Services & Housing on H.B. No. 997**

The purpose of this bill is to preserve the affordability of the Kukui Gardens Rental Housing Complex (Complex) by appropriating funds for the purchase of a property interest in all or a portion of the land and improvements at the Complex pursuant to a memorandum of understanding between Carmel Partners, Inc., and Faith Action for Community Equity and Kukui Gardens Residents Association.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Faith Action for Community Equity, and EAH Housing testified in support of this bill. The Hawaii Housing Finance and Development Corporation offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 997 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 261 Human Services & Housing on H.B. No. 325**

The purpose of this bill is to expand coverage under Medicaid and QUEST to include comprehensive dental care coverage for eligible individuals 21 years-of-age or older and to appropriate funds to provide the additional coverage.

The State Council on Developmental Disabilities, Hawaii Primary Care Association, Mental Health America of Hawaii, Kokua Council, and Life Foundation testified in support of this bill. The Department of Human Services (DHS) provided comments.

Your Committee recognizes the importance of dental care, particularly for those under Medicaid and QUEST who have received limited dental benefits. Your Committee respectfully urges DHS to actively publicize any adult dental services and programs it offers.

Your Committee has amended this bill by:

- (1) Inserting a new appropriation of an unspecified amount for hospital dentistry for the developmentally disabled community in the County of Hawaii; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 325, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 262 Human Services & Housing on H.B. No. 1283**

The purpose of this bill is to allow the Hawaii Community Development Authority (HCDA) to sell the fee simple interest in reserved housing units within the Kakaako Community Development District.

HCDA testified in support of this bill. The Save Our Kakaako Coalition opposed this measure.

Your Committee notes that extensive discussion occurred on this measure relating to implementing provisions "in perpetuity" and about the possibility of HCDA adopting rules for long-term leases.

Your Committee has amended this bill by:

- (1) Allowing HCDA to repurchase property without any time restrictions; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1283, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 263 Human Services & Housing on H.B. No. 1257**

The purpose of this bill is to provide greater protection to victims of domestic violence who are being protected by the courts through protective orders. This bill includes crimes against these victims as part of the offenses of:

- (1) Murder in the first degree;
- (2) Murder in the second degree;
- (3) Assault in the second degree; and
- (4) Terroristic threatening in the first degree.

The Department of the Attorney General, Office of the Prosecuting Attorney of the County of Hawaii, Hawaii Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and a concerned individual testified in support of this bill. The State Office of the Public Defender opposed this measure. An individual offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1257 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 264 Energy & Environmental Protection on H.B. No. 1790**

The purpose of this measure is to amend Act 78, Session Laws of Hawaii 2006, to make an appropriation of \$500,000 out of the general fund and into the petroleum industry monitoring, analysis, and reporting special fund to allow the Public Utilities Commission to:

- (1) Establish and administer the petroleum industry monitoring, analysis, and reporting program; and
- (2) Establish two full-time staff positions to implement and maintain the program.

Your Committee received comments on this measure from the Public Utilities Commission.

Following a hearing on this measure and House Bill No. 1293, your Committee has amended this measure by deleting its contents and inserting in its place the contents of House Bill No. 1293.

Your Committee received testimony in support of House Bill No. 1293 from the Department of Business, Economic Development, and Tourism and the Public Utilities Commission. The Office of Information Practices and Western States Petroleum Association submitted comments.

Your Committee has further amended the contents of House Bill No. 1293 that were inserted into this measure by:

- (1) Clarifying that the information the Department of Business, Economic Development, and Tourism may use to effectuate the purposes of chapters 196 and 125C, Hawaii Revised Statutes, and other laws in a new section to be added to chapter 486J, Hawaii Revised Statutes, is the information provided by the petroleum industry monitoring, analysis, and reporting program;
- (2) Making changes to conform the language in this measure to the printed version of the Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1790, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1790, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 265 Energy & Environmental Protection on H.B. No. 1048**

The purpose of this bill is to ensure that the food supply, the health of Hawaii's residents and visitors, the health of its unique and sensitive ecosystems, and its economy are protected from accidental exposure to genetically modified crops.

Specifically, this bill prohibits the testing, propagation, cultivation, raising, or growing of biopharmaceutical crops in the State including any laboratory or research work. The bill requires the Department of Agriculture to adopt rules to enforce the prohibitions. The bill further defines the terms "biopharmaceutical crops", "genetically modified", "person", and "recombinant DNA technology".

Your Committee received testimony in support of this bill from Earthjustice, Hawaii Organic Farmers Association, Union of Concerned Scientists, Center for Food Safety, Salk Institute of Biological Studies, Waikiki Hawaiian Civic Club, and thirty-one individuals. Testimony in opposition was submitted by the Department of Agriculture, University of Hawaii, Hawaii Agriculture Research Center, Hawaii Farm Bureau, Hawaii Crop Improvement Association, Hawaii Science and Technology Council, and Biotechnology Industry Association. Your Committee notes that testimony submitted in support almost universally described the bill as a "moratorium" rather than a "ban" or "prohibition" on the testing or growing of genetically modified crops.

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

- (1) Adding a new section 1 to the bill containing findings and language to elaborate on the purpose of the bill;
- (2) Clarifying that the prohibitions relating to biopharmaceutical crops is on the use of *food crops*, as opposed to other types of crops;

- (3) Allowing biopharmaceutical crops using *nonfood crops* to be tested, etc. but only in indoor laboratories employing adequate biosafety protocols;
- (4) Clarifying that the Department of Agriculture is required to adopt rules in accordance with chapter 91, (the Administrative Procedure Act) Hawaii Revised Statutes;
- (5) Adding a definition of "food crop"; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity and drafting convention.

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. 1048, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1048, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee. (Representatives Ito and Sagum voted no.)

**SCRep. 266 Energy & Environmental Protection on H.B. No. 702**

The purpose of this measure is to:

- (1) Require the Department of Transportation to prepare an environmental assessment and possible environmental impact statement if the expenditure of public funds for improvements in commercial harbors throughout the State to accommodate the operations of the Hawaii superferry may have a significant effect on the State's environment;
- (2) Require the Department of Transportation to cease further construction of improvements in the commercial harbors to accommodate the operations of the Hawaii superferry and not allow the Hawaii superferry to commence operations until a finding of no significant impact is issued or a final environmental impact statement is accepted;
- (3) Require the Department of Transportation to implement any mitigative measures that may be recommended in the environmental assessment or environmental impact statement, including amending the operating agreement with the Hawaii superferry requiring the Hawaii superferry to implement any recommended mitigative measures in its operations; and
- (4) Make an appropriation for the preparation of the environmental assessment and possible environmental impact statement.

Your Committee has received testimony in support of this measure from University of Hawaii Environmental Center, Maui County Council, Hawaii Islands Humpback Whale National Marine Sanctuary Advisory Council, Surfrider Foundation, and Sierra Club, Hawaii Chapter. Your Committee has further received overwhelming testimony in support of this measure from approximately sixty-eight individuals from throughout the State, especially from residents of the islands of Kauai and Maui. The Department of Transportation, Attorney General, Hawaii Superferry, Maui Chamber of Commerce, Land Use Research Foundation of Hawaii, and several individuals submitted testimony in opposition to this measure.

Your Committee notes that the Legislature finds that the Department of Transportation may have abused its discretion in determining that the expenditure of public funds for the improvements to commercial harbors throughout the State to accommodate the Hawaii superferry operations did not require an environmental review pursuant to chapter 343, Hawaii Revised Statutes. Your Committee is concerned that, as the accepting agency, the Department of Transportation may err in determining that the expenditure of public funds to support the Hawaii superferry operations may not have a significant impact on the State's environment. Accordingly, your Committee has amended this measure by:

- (1) Requiring that the Department of Transportation immediately begin with the preparation of an environmental impact statement and not an environmental assessment;
- (2) Allowing the Department of Transportation to continue with its improvements to the commercial harbors in support of the Hawaii superferry operations while the environmental impact statement is being prepared;
- (3) Deleting the appropriation provision;
- (4) Requiring that the Department of Transportation assess the Hawaii superferry for all reasonable costs incurred in the preparation of the environmental impact statement; and
- (5) Making technical nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 702 and recommends that it pass Second Reading in the form attached hereto as H.B. No. 702, H.D. 1, and be referred to the Committee on Transportation.

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

**SCRep. 267 Health/Human Services & Housing on H.B. No. 1359**

The purpose of this bill is to create a Hawaii State Pharmacy Assistance Program by merging the current State Pharmacy Assistance Program which coordinates the Medicare Part D drug benefit and the Hawaii Rx Plus Program under a single comprehensive Hawaii State Pharmacy Assistance Program umbrella.

The Department of Human Services and a concerned individual supported this bill. AARP supported the intent of this measure.

Your Committees find that the intentions of this bill are admirable in attempting to lower the price of prescription medication by combining programs. However, your Committees respectfully request the Committee on Consumer Protection & Commerce to look more into improving the quality, efficiency, and therapeutic value of pharmaceutical prescribing in the state, with particular emphasis on publicly administered, funded, or subsidized health care and insurance programs. A reduction in duplicative administering of preferred drug lists throughout state government will increase the State's bargaining power by achieving cost savings through rebates and other means, while at the same time expanding access to evidence-based information with the goal of improving health outcomes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1359 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Takai.



**SCRep. 268 Health/Human Services & Housing on H.B. No. 1478**

The purpose of this bill is to extend the State Pharmacy Assistance Program (Program) income eligibility requirement to two hundred percent of the federal poverty level and provide those who are eligible for the Program with the greatest amount of drug coverage by:

- (1) Requiring enrollees to maximize their benefits under the Medicare Part D program with the assistance of the Department of Human Services (DHS); and
- (2) Authorizing Program funds to be expended on certain enrollee costs of coverage under Medicare Part D and on medication excluded from coverage under the Medicare prescription drug benefit.

AARP Hawaii and Hawaii Aging Advocates Coalition supported this bill. The Hawaii Centers for Independent Living opposed this measure. DHS submitted comments on this bill.

Your Committees have amended this bill by:

- (1) Repealing the provision requiring that a person be within the asset limits for eligibility in the State Pharmacy Assistance Program as defined by the Medicare Modernization Act; 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 & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1478, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1478, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Takai.

**SCRep. 269 Energy & Environmental Protection on H.B. No. 1176**

The purpose of this bill is to require new motor vehicle dealers and transferees, upon subsequent transfer of title, to pay to the Department of Health a mandatory motor vehicle disposal fee for deposit into the environmental management special fund.

This measure also uses the mandatory motor vehicle disposal fees to finance motor vehicle disposal programs in the counties and to provide refunds to motor vehicle owners upon a transfer in ownership.

Your Committee received testimony in support of this measure from the Mayor and the Department of Environmental Management of the county of Hawaii, the Windward Ahupua'a Alliance, and a concerned citizen.

Your Committee received testimony in opposition to this measure from the Department of Health, the Hawaii Automobile Dealers' Association, Catrala-Hawaii, and the Alliance of Automobile Manufacturers.

Your Committee finds that this measure creates a dedicated fund that will provide both the counties and motor vehicle owners with financial support to dispose of motor vehicles that have reached the end of their useful lives. Your Committee also finds that this measure will place the costs of motor vehicle disposal specifically upon motor vehicle owners rather than upon landowners or taxpayers in general.

Your Committee has amended this measure by deleting and replacing its contents with language that amends the county motor vehicle registration laws by authorizing the directors of finance of the counties to establish an additional motor vehicle registration fee for the purpose of operating a new motor vehicle recovery program within the respective counties.

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. 1176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1176, H.D. 1, and be referred to the Committees on Economic Development & Business Concerns and Transportation.

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

**SCRep. 270 Energy & Environmental Protection on H.B. No. 642**

The purpose of this measure is to require public utilities to obtain a certificate of public good from the Public Utilities Commission for the construction of any electric transmission or generation facility, prior to beginning site preparation or exercising the right of eminent domain.

The Department of Commerce and Consumer Affairs, the Public Utilities Commission, and Hawaiian Electric Company, Inc. offered comments and suggestions on this measure.

Life of the Land, Windward Ahupua'a Alliance, and the Sierra Club offered testimony in support of this measure.

Your Committee finds that protecting and promoting the public good is an important aspect of regulating utilities in the State. Your Committee also finds, however, that the Public Utilities Commission already uses a public hearing process to review public concerns. In light of this, your Committee finds that a more effective and efficient approach would be to consider issues of public good, such as energy efficiency and conservation, along with the other issues that arise during the current hearing process.

Your Committee has amended the bill by deleting its contents and adding a new section to chapter 269, Hawaii Revise Statutes, that requires energy conservation, energy efficiency, and load management to be reviewed concurrently with the commission's existing review 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 H.B. No. 642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 642, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 271 Energy & Environmental Protection on H.B. No. 1267**

The purpose of this bill is to strengthen the State's energy emergency preparedness program's coverage of all forms of energy emergencies, consistent with the threats to energy security and the state energy emergency preparedness program.

Specifically, this bill clarifies that the Director of Business, Economic Development, and Tourism is the state energy resource coordinator authorized to acquire and use energy industry information obtained by the Public Utilities Commission. The bill also redefines the types of information that all energy companies may be required to submit to the energy resources coordinator in an energy emergency or shortage. This bill further authorizes the Department of Business, Economic Development, and Tourism to compile and analyze information, including confidential information, for energy emergency planning and preparedness, mitigation, response, and recovery. Finally, this bill appropriates \$100,000 for fiscal year 2007-2008 and 2008-2009 to fund one temporary full-time position to support the State's energy emergency preparedness and energy security analytic functions.

Your Committee received testimony in support of this bill from the Department of Business, Economic Development, and Tourism. The Office of Information Practices offered comments.

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

- (1) Clarifying language in section 1 of the bill relating to the Legislature's findings, on page 6, lines 5-12;
- (2) Adding "exclusive application" language to section 125C-6, Hawaii Revised Statutes, similar to the language added to section 125C-4, Hawaii Revised Statutes, relating to petitioning for the adoption, amendment, repeal, or suspension of rules, as applicable to sections 125C-2, 125C-3, and part II of chapter 125C, Hawaii Revised Statutes;
- (3) Clarifying that the appropriation made in section 21 of the bill takes effect on July 1, 2007; and
- (4) Making technical nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1267, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 272 Economic Development & Business Concerns on H.B. No. 837**

The purpose of this bill is to allow legislative agencies to complete reports or studies to be submitted to the Legislature in a timely manner by providing an exemption to the Hawaii Public Procurement Code for services contracted by a legislative agency for this purpose.

The State Auditor, Legislative Reference Bureau, and Office of the Ombudsman testified in support of this bill. The Department of Accounting and General Services and State Procurement Office opposed this measure.

Your Committee heard testimony that legislative agencies typically have only a few months to prepare studies and reports that are requested during the regular session and that are due before the next regular session. The procurement process may take two months or more until a contractor is selected, which may interfere with the ability of the Legislature to obtain the information it needs in a timely fashion.

However, agencies that administer the Procurement Code stated that their professional service contract procedures allow agencies to procure services quickly by establishing a list of potential service providers in anticipation of legislative requests. Furthermore, in circumstances where the procurement process is not practicable or advantageous to the State, an exemption may be requested.

Upon consideration, your Committee believes that the Committee on Legislative Management is better suited to consider the issues raised by this bill and respectfully defers to its judgment on these matters. Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to allow further discussion of the measure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 837, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Berg.

**SCRep. 273 Economic Development & Business Concerns/Agriculture on H.B. No. 1923**

The purpose of this bill is to build some flexibility into the State Enterprise Zone Program (Program) to recognize the unique circumstances of agricultural businesses and allow more of these businesses to survive and prosper under the Program by:

- (1) Allowing agricultural businesses whose operations are affected by a "force majeure event," i.e., a damaging natural disaster beyond their control, to remain eligible for tax incentives under the Program;
- (2) Extending the seven year Program benefit period for the time that a business' operations are affected by a force majeure event;
- (3) Providing businesses unable to meet the required increases in the number of annual full-time employees, under the Program, the alternative of meeting annual gross revenue requirements; and
- (4) Including leased employees and employees under a joint employer relationship within the definition of "full-time employee."

The Department of Agriculture, Department of Business, Economic Development, Hawaii Farm Bureau Federation, Hawaii Aquaculture Association, Enterprise Honolulu, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, and several concerned individuals provided testimony supporting this bill.

This bill recognizes that agricultural business are uniquely subject to factors beyond their control. Farming is vulnerable to the unpredictable forces of nature, and seasonal crops and offshore volume pricing pressures make minimum employment requirements impossible to meet, particularly for small family farms. By providing farmers alternatives to Program requirements that recognize agriculture's unique circumstances, this measure will support the growth and development of the agricultural industry, and thereby diversify our economy and increase our self-sufficiency.

Your Committees have amended this bill by:

- (1) Adding earthquakes to the list of possible force majeure events;

- (2) Making the provisions establishing new agricultural business qualifications for the Program effective retroactive to taxable years beginning after December 31, 2006, to make Program qualifying criteria uniform for the year; 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 Economic Development & Business Concerns and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1923, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1923, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Yamane and Ching.

**SCRep. 274 Health on H.B. No. 1456**

The purpose of this bill is increase and improve the provision of therapeutic and pharmacological mental health care in federally designated medically underserved areas or mental health professional shortage areas of the state by allowing appropriately-trained psychologists practicing in licensed health care clinics within these areas to prescribe a limited array of psychotropic medications; provided that they have met all the requirements to achieve:

- (1) A conditional prescription certificate, including the completion of at least two years of biological and pharmacological training curriculum and a supervised practicum; or
- (2) A prescription certificate, including:
  - (A) Completing at least two years of prescribing psychotropic medications while holding a conditional prescription certificate;
  - (B) Having undergone an independent peer review; and
  - (C) Successfully having undergone a process of independent peer review approved by the Board of Psychologists, the Hawaii Primary Care Association, and the Hawaii Board of Medical Examiners.

The American Psychological Association, Waikiki Health Center, Waianae Coast Comprehensive Health Center, Hawaii Primary Care Association, Hawaii Medical Service Association, and several concerned individuals supported this bill. The Department of Health, Board of Psychology, Board of Medical Examiners, Hawaii Medical Association, Hawaii Psychiatric Medical Association, National Alliance on Mental Illness – Oahu, American Psychiatric Nurses Association – Hawaii Chapter, and several concerned individuals opposed this measure.

Your Committee finds that many valid concerns have been raised by both the opponents and proponents of this bill regarding safety concerns and the need for therapeutic and pharmacological mental health care in the state's medically underserved areas or mental health professional shortage areas. Though your Committee has some concerns regarding the curriculum and drug formulary described in the bill in its present form, there is a greater concern for those people in the state who do not have access to a qualified psychiatrist to provide them with the diagnosis and treatment options that they desperately need.

In an effort to facilitate further discussion on this measure, your Committee has passed this bill with an amendment changing the effective date to January 1, 2050. This will allow this important measure to receive further community input and scrutiny from the members of the Committee on Consumer Protection and Commerce (CPC) and the Committee on Judiciary (JUD). Your Committee encourages the members of Consumer Protection & Commerce and Judiciary and any of the stakeholders to read the report drafted in 2006 by the Legislative Reference Bureau entitled "Prescriptive Authority For Psychologists: Issues And Considerations" which is available online at <http://www.hawaii.gov/lrb/rpts07/rxauth.pdf>.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1456, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 275 Health on H.B. No. 1698**

The purpose of this bill is to provide affordable, comprehensive insurance coverage to gap group part-time, self-employed, or sole-proprietor workers, by allowing small insurers that have less than 30 per cent of the market share to combine different types of health- and sickness-related insurance benefits into single unified policies.

The Hawaii Management Alliance Association and the Hawaii Association of REALTORS testified in support of this bill. The Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to December 31, 2099, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1698, H.D. 1, and be referred to the Committees on Economic Development & Business Concerns and Consumer Protection & Commerce.

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

**SCRep. 276 Human Services & Housing/Health on H.B. No. 385**

The purpose of this bill is to encourage psychiatrists to provide services to patients receiving public assistance by increasing the reimbursement rate for psychiatric services provided under Medicaid and QUEST. This bill also appropriates funds to cover the cost of the reimbursement increase.

The Hawaii Psychiatric Medical Association and Hawaii Medical Association testified in support of this bill. Kahi Mohala Behavioral Health and the Hawaii Medical Service Association supported the intent of this measure. The Department of Human Services (DHS) provided comments.

Your Committees received testimony that current reimbursement rates are far below the cost of providing psychiatric care to the needy. Your Committees are encouraged by DHS's testimony, which states that an increase in the reimbursement rate for psychiatric services on the Neighbor Islands has been requested in the Executive Biennium Budget.

Your Committees have amended this bill by:

- (1) Specifying that the funds appropriated are intended to cover the reimbursement rate increase for psychiatric services provided under medicaid and QUEST; 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 & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 385, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 385, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 277 Human Services & Housing/Health on H.B. No. 485**

The purpose of this bill is to support persons with disabilities and individuals who are receiving public assistance by giving preference to those bidders who hire such individuals when the government contracts for goods, services, or construction.

The State Rehabilitation Council testified in support of this bill. The Workforce Development Council and State Procurement Office supported the intent of this measure. The Department of Accounting and General Services and Department of Human Services (DHS) provided comments.

While there was general support for the intent of this measure, many of the testifiers agreed that the details need to be developed further.

Accordingly, your Committees have amended this bill by:

- (1) Creating separate provisions for persons with disabilities and recipients of Temporary Assistance for Needy Families;
- (2) Requiring DHS to establish registries of persons with disabilities and recipients of Temporary Assistance for Needy Families who are seeking employment and are employable;
- (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 records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 485, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 485, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Tokioka.

**SCRep. 278 Energy & Environmental Protection on H.B. No. 678**

The purpose of this measure is to establish a greenhouse gas emissions limit and adopt reporting, verification, and enforcement mechanisms.

Your Committee finds that global warming is a threat to the environment, public health, and economic stability of Hawaii. Greenhouse gas emissions have been found to be the main contributor to global warming. Your Committee further finds that a cap on greenhouse gas emissions in Hawaii, regulation and enforcement, mechanisms to regulate emissions, market based mechanisms, and rules to achieve maximum emissions reductions are the most effective ways that we can protect the State and do our part to reduce emissions and global warming worldwide.

The Conservation Council of Hawaii, Honolulu Seawater Air Conditioning, LLC, Sierra Club, Ahupua'a Alliance, and twenty-seven individuals submitted testimony in support of this measure.

Hawaiian Electric Company, Inc., Covanta Energy Group, Western States Petroleum Association, and Hawaii Automobile Dealers Association submitted comments and recommendations on this measure.

The Department of Health offered testimony in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 678 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee.

**SCRep. 279 Public Safety & Military Affairs on H.B. No. 1677**

The purpose of this bill is to improve public safety by establishing the State Wildland-Urban Fire Safety Board (Board) to set standards to protect lives, homes, and businesses from wildland fires.

The Department of Public Safety, State Fire Council (Council), and Department of Land and Natural Resources (DLNR) supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Removing the provisions establishing the Board;
- (2) Repositioning the Council within DLNR and out of the Department of Labor and Industrial Relations;
- (3) Providing the existing Council with the responsibility of setting statewide fire safety standards to protect lives, homes, and businesses from wildland fires;
- (4) Requiring annual reports to the Governor and the Legislature on any federal funds the Council has applied for, received, or expended;

- (5) Requiring the counties to adopt a wildland-urban interface code set by the Council; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1677, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1677, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 280 Public Safety & Military Affairs on H.B. No. 1440**

The purpose of this bill is to clarify that the Office of the Ombudsman has the authority to investigate the contractual acts of any correctional facility with which the Department of Public Safety has contracted to hold persons committed to the Director of Public Safety.

More specifically, the measure requires the Ombudsman to investigate any complaint submitted by a family member of a Hawaii inmate, including one held at a contracted correctional facility. In addition, the Ombudsman would be required to investigate any incident where a death or riot has occurred at a correctional facility, or where a Hawaii inmate, including one held at a contracted facility, has sustained serious bodily harm as a result of actions by a correctional officer, employee, or other person held in custody.

The Department of Public Safety submitted testimony in opposition to the measure. The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and a private citizen submitted testimony in support. The Office of the Ombudsman offered comments.

Your Committee finds that chapter 96, Hawaii Revised Statutes, does not preclude a family member of a Hawaii inmate from filing a complaint with the Ombudsman. The jurisdiction of the Ombudsman is defined against whom the complaint is made, not by whom the complaint is made.

Your Committee also finds that requiring the Ombudsman to investigate every complaint prevents the Ombudsman from exercising discretion to determine whether a complaint is appropriate for investigation. These include complaints that are better resolved with another remedy or through another channel and complaints that are trivial, frivolous, not made in good faith, or too long delayed to justify current investigation.

Your Committee further finds that requiring the Ombudsman to investigate any incident at a correctional facility that results in an inmate's death or serious bodily harm could hinder possible prosecution by alerting potential criminal defendants, particularly since, under section 96-9, Hawaii Revised Statutes, information obtained by the Ombudsman cannot be used in court.

Your Committee amended this measure by:

- (1) Deleting the requirement that the Ombudsman investigate complaints filed by a family member of a Hawaii inmate, as this is already authorized under existing law;
- (2) Deleting provisions that require the Ombudsman to investigate incidents at a correctional facility resulting in death or riot, thus retaining the Ombudsman's authority to decide which complaints against an agency or contracted facility should be investigated;
- (3) Requiring the Department of Public Safety to include in all contracts entered into between the Department and a contracted correctional facility language that clarifies the authority of the Ombudsman to investigate complaints against the contracted facility;
- (4) Adding a definition of "contractual act" and clarifying notification issues; and
- (5) Limiting the unspecified appropriation to fiscal year 2007-2008.

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. 1440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1440, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 281 Public Safety & Military Affairs on H.B. No. 1324**

The purpose of this measure is to make several changes to the insurance code to conform the insurance code to recommendations of the National Association of Insurance Commissioners concerning federal law, long-term care, and information sharing.

Specifically, the measure requires, in part, that the Insurance Commissioner adopt rules to implement model standards being adopted by the National Association of Insurance Commissioners to implement the directives of the federal Military Services Personnel Financial Services Protection Act.

Testimony in support of this administration measure was received from the Insurance Commissioner. Testimony in opposition to the purpose section of the bill was received from the Hawaii Insurers Council and USAA.

Your Committee finds that the federal Military Personnel Financial Services Protection Act, signed into law in 2006, establishes a September 29, 2007, deadline for states to develop standards to protect members of the armed forces to whom life insurance products are marketed from unfair and deceptive insurance sales practices. To assist the states in meeting the deadline, the National Association of Insurance Commissioners is in the process of developing model standards for the states to adopt. Your Committee also finds that the Insurance Commissioner believes that an amendment to the insurance code is necessary to expressly authorize the Insurance Commissioner to adopt rules regarding such insurance sales to military personnel.

Your Committee has amended this measure by:

- (1) Redrafting the language in section 2 concerning the Insurance Commissioner's rulemaking authority regarding sales of insurance to military personnel to clarify the scope of such authority by underscoring that the rules shall be adopted to implement the federal Military Financial Services Protection Act and to protect military personnel to whom life insurance products are marketed from dishonest and predatory insurance sales practices;
- (2) Making conforming changes to section 1 concerning the bill's purpose;
- (3) Adding a new section to the bill directing the revisor of statutes to substitute appropriate section numbers for the letters used in designating the new sections in this Act; and

- (4) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

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. 1324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1324, H.D. 1, and be referred to the Committees on Health and Human Services & Housing.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 282 Economic Development & Business Concerns/Higher Education on H.B. No. 1279**

The purpose of this bill to lay the foundation for an innovation economy by:

- (1) Establishing the Hawaii Innovation Investment Fund, a professionally-managed fund of funds in which the Employees' Retirement System may invest moderate amounts in Hawaii venture capital;
- (2) Improving the State's ability to measure the productivity of and establish benchmarks for the growth of Hawaii's economy;
- (3) Supporting the operations and programs of a state-operated technology incubator and innovation center in the Kaka'ako district of Honolulu;
- (4) Establishing a local incubator facility to develop Hawaii's digital media infrastructure for film and television productions and interactive game development;
- (5) Establishing the Music and Enterprise Learning Experience Program at the University of Hawaii (UH) - Honolulu Community College to develop the technical and business skills required by Hawaii's artists and music industry; and
- (6) Enhancing the ability of UH's Office of Technology Transfer and Economic Development to increase commercialization and the number of licensing agreements through a partnership with a qualified and experienced private sector entity.

Testimony in support of this bill was submitted by the Governor, Department of Business, Economic Development, and Tourism (DBEDT), High Technology Development Corporation, Hawaii Science and Technology Council, Kamehameha Schools, Concurrent Analytical, Inc. and Nanoparts Inc., Applied Marine Solutions, Ted Wong Consulting, Cardax Pharmaceuticals, Ambient Micro, LLC, KUD International LLC, Phase 3 Properties, Inc., Honolulu Seawater Air Conditioning, LLC, Oceanic Imaging Consultants Inc., Economic Development Alliance of Hawaii, National Defense Center of Excellence for Research in Ocean Sciences, Skinner Entertainment, SEE/RESCUE Corporation, and numerous concerned individuals. The University of Hawaii, Hawaii Venture Capital Association, Simonpietri Enterprises, Farnsworth Consulting, and a concerned individual supported the intent of the bill. The Employees' Retirement System (ERS) commented on the bill.

Your Committees heard testimony that the overall goal of the bill is to improve the quality of life in Hawaii through higher quality, and higher paying jobs. The initiatives in the bill do so by capitalizing on the State's prior efforts that have supported the emergence of innovation sector companies such as Hawaii Biotech and Hoku Scientific, while initiating new efforts, such as the Music and Enterprise Learning Experience Program for the development of Hawaii's music artists and industry. The bill also provides the later-stage financing required to grow Hawaii's emerging innovation companies and allow them to remain in Hawaii.

Your Committees heard testimony that a key component of this bill enables measurement of the success or failure of the bill's proposals. Each proposal has clear, measurable goals, and the bill provides two positions and funding that will allow DBEDT to evaluate the success of this measure. Creating this capability in DBEDT will also allow the State to build a database of measures that will help the State determine the effectiveness of this and other efforts to transform and develop our economy.

Your Committees find that the members are concerned about the impact that investment of ERS funds under this bill will have on the ERS system, especially in light of ERS' inability to review and take a position on the bill. Other concerns included the lack of collaboration with the Legislature in developing the bill, the State's potential liability under the bill, whether the bill would be duplicative of Hawaii Strategic Development Corporation's role, and the failure to take advantage of existing and underutilized performance facilities in Windward Community College. Your Committees believe that there is a need for further dialog on this measure.

Your Committees have amended this bill by:

- (1) Changing the \$100,000,000 that the bill requires ERS to allocate for Hawaii venture capital investments, to \$1, to encourage further discussion of this issue; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1279, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1279, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Shimabukuro, Takamine, Tsuji and Marumoto.

**SCRep. 283 Energy & Environmental Protection on H.B. No. 1003**

The purpose of this bill is to provide financial and other resources to encourage and facilitate renewable energy development.

More specifically, the first part of the bill statutorily establishes the Hawaii Natural Energy Institute of the University of Hawaii at Manoa and creates the energy development special fund for the development of renewable energy and energy efficient technologies.

The second part creates the biofuels development revolving loan fund, which will be administered by the Hawaii Strategic Development Corporation, and a renewable biofuels program within the Department of Business, Economic Development, and Tourism.

The Department of Business, Economic Development, and Tourism, the Hawaii Natural Energy Institute of the University of Hawai'i at Manoa, Hawaiian Electric Company, Inc., and ClearFuels Technology, Inc. submitted testimony in support of this bill. The Department of Budget and Finance offered comments.

Your Committee notes that the Hawaii Natural Energy Institute of the University of Hawaii-Manoa was previously established, by Act 235, Session Laws of Hawaii 1974, as a research unit at the University. This measure codifies the establishment, structure, and functions of the Hawaii Natural Energy Institute, defines the Institute's mission, and creates a special fund for use by the Institute, thus ensuring greater emphasis on and resources for development of renewable energy and energy efficient technologies.

Despite many efforts since the last major global oil crisis in the early 1970s, including groundbreaking legislation in 2006 to promote energy self-sufficiency of the State, Hawaii remains dependent upon oil imports for transportation fuels and power generation.

Your Committee believes that the creation of the energy development special fund and the biofuels development revolving loan fund is the best avenue to provide needed resources to encourage development of alternative energy resources and energy-efficient technologies in the foreseeable future.

Your Committee acknowledges that all affected agencies and stakeholders need to work together on a comprehensive strategy to achieve these goals, and your Committee Chair pledges to work with subsequent Committees to refine the provisions in part II of the bill. Your Committee has amended this bill to:

- (1) Clarify that energy efficiency end use technologies include those that address ameliorating peak demand;
- (2) Clarify the evaluation process for projects and activities funded by the energy systems development special funds; and
- (3) Make Technical nonsubstantive changes for purposes of style, clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1003, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 284      Agriculture on H.B. No. 900**

The purpose of this bill is to aid in the development and promotion of new, safe, high-quality, and high-value agricultural products by appropriating funds for the University of Hawaii College of Tropical Agriculture and Human Resources to develop a long-range plan for a food innovation and security center.

The Hawaii Food Industry Association, Hawaii Farm Bureau Federation, and the Hawaii Crop Improvement Association supported this bill. The University of Hawaii supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 900 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 285      Agriculture on H.B. No. 1615**

The purpose of this bill is to facilitate the development of a viable aquacultural industry by appropriating funds to conduct a feasibility and cost study to determine the statutory and rule changes, staffing requirements, laboratory support requirements, research requirements, and training and technical assistance needs, to develop a shellfish aquaculture industry in Hawaii.

Kona Bay Marine Resources, Hawaii Aquaculture Association, and several concerned individuals supported this bill. The Department of Agriculture and several concerned individuals supported the intent of this measure.

Your Committee believes that the study funded by this measure will help provide details as to which public and private entities should be involved, the appropriate process and timeline of events and actions that need to be taken, and the appropriate locations, for shellfish aquaculture development in Hawaii. Your Committee finds that the study should address cultural and land use concerns as well, including how a potential shellfish aquaculture industry would impact land use, native species, and Hawaiian fishponds throughout our State.

In addition to the funding for the study contained in this bill, your Committee is also cognizant of the need for additional funding that would have to be made available to the Department of Health to meet federal requirements of the National Shellfish Sanitation Program, which sets standards for the safe propagation, growth, and sale of shellfish.

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. 1615 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

**SCRep. 286      Agriculture/Energy & Environmental Protection on H.B. No. 899**

The purpose of this bill is to appropriate funds for the University of Hawaii Center for Conservation Research and Training to develop integrated strategies for food and energy crop production in two phases:

- (1) In Phase 1, research and development will be conducted to develop the best strategies consistent with comprehensive agricultural management practices to facilitate sustainable production of crops through long-term enhancement of soil quality using ecologically responsible means; and
- (2) In Phase 2, federal and other funding will be identified and solicited to coordinate implementation and ecological monitoring of a pilot demonstration of the dual-purpose soil amendment/energy production facility developed in Phase 1.

Hawaiian Mahogany Inc., Joule Junction, LLC, and a concerned individual supported this bill. A concerned individual supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 899 and recommend that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Berg, Chang, Herkes, Magaoay, Saiki and Meyer.

**SCRep. 287      Agriculture/Energy & Environmental Protection on H.B. No. 772**

The purpose of this bill is to provide a dedicated source of funding to prevent the spread of invasive species by:

- (1) Requiring the Department of Agriculture (DOA) to prescribe a schedule of service fees and charges to be collected from persons who import objects that may harbor invasive species or personal property used for the movement of other personal property that may harbor invasive species;
- (2) Establishing the Invasive Species Inspection, Quarantine, and Eradication Fund (Eradication Fund) into which the service fees and charges collected in (1), in addition to legislative appropriations, fees for permits and inspections, certain fines and penalties for violations, and federal funds, are to be deposited; and

- (3) Requiring funds in the Eradication Fund to be used for the operation of inspection and monitoring programs and facilities at ports of entry, and for emergency remedial measures when invasive species are detected.

The Department of Transportation, Oahu County Committee of the Democratic Party of Hawaii, Sierra Club, Hawaii Chapter, The Nature Conservancy of Hawaii, and the Conservation Council for Hawaii supported this bill. The Department of Land and Natural Resources and the Hawaii Crop Improvement Association supported the intent of this measure. The Chamber of Commerce of Hawaii, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Alexander & Baldwin, Inc., and Matson Navigation Company, Inc., opposed this bill. The DOA and Airlines Committee of Hawaii offered 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 H.B. No. 772 and recommend that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Berg, Chang, Herkes, Magaoay, Saiki and Meyer.

**SCRep. 288                    Judiciary on H.B. No. 1023**

The purpose of this bill is to expand the pool of individuals eligible for the offices of the Governor and Lieutenant Governor by proposing a constitutional amendment to lower the age qualification for the two offices from the age of thirty years to twenty-five years.

Several concerned individuals 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. 1023 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine. (Representative Green voted no.)

**SCRep. 289                    Judiciary on H.B. No. 1239**

The purpose of this bill is to provide the Attorney General with the necessary funds to actively pursue and prosecute major civil false claims perpetrated against the State without diverting existing resources by authorizing the Attorney General to:

- (1) Deposit 33 percent of proceeds of actions or settlements from a false claim prosecution into a False Claims Trust Fund; and
- (2) Expend the funds in the False Claims Trust Fund to prosecute false claims under section 661-22, Hawaii Revised Statutes (HRS).

The Attorney General and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the only use for the funds in the False Claims Trust Fund is for expenditures necessary to prosecute false claims under section 661-22, HRS;
- (2) Removing the \$1,000,000 appropriation from the False Claims Trust Fund to the Attorney General; 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. 1239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1239, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 290                    Health on H.B. No. 1798**

The purpose of the bill is to authorize the board of dental examiners to conduct a background check of an applicant for a license to practice as a dentist.

Under present law, the board of dental examiners may not conduct a background check of an applicant for a license to practice as a dentist.

Your Committee is in agreement that a background check for a license to practice as a dentist is indicated.

Your Committee amended this bill by changing the effective date to July 1, 2050 to facilitate further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1798, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 291                    Health on H.B. No. 1453**

The purpose of this bill is to ensure a strong agricultural future for Hawaii by requiring:

- (1) Prior certification by the Department of Health (DOH) for any activity related to:
  - (A) Research;
  - (B) Testing;
  - (C) Propagation;
  - (D) Cultivation;
  - (E) Growth; or
  - (F) Production;



of any genetically modified organism (GMO) in the state;

- (2) DOH to assess the risks posed by the proposed GMO activity; and
- (3) Persons involved in GMO-related activities to be civilly liable for injury or damage resulting from such activity.

The Center for Food Safety, Hawaii SEED, and several concerned individuals supported this bill. DOH, the Department of Agriculture (DOA), University of Hawaii (UH) System, Hawaii Farm Bureau Federation, the dean of the UH Manoa College of Tropical Agriculture and Human Resources, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, Hawaii Science and Technology Council, and several concerned individuals opposed this measure. A concerned individual submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Requiring a person conducting activities involving GMOs to inform DOH and DOA for certification;
- (2) Requiring a person conducting activities involving GMOs to inform the sitting chairs of the appropriate committees within the Senate and House of Representatives dealing with health and agriculture;
- (3) Allowing DOH or DOA to rescind certification within 180 days of its issuance;
- (4) Deleting the provision regarding the assessment of risks posed by the proposed GMO activity;
- (5) Deleting the information requirements for certification of approval;
- (6) Deleting the provision making persons involved in GMO-related activities civilly liable for injury or damage resulting from such activity; 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. 1453, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1453, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Bertram and Shimabukuro. Representative Ward voted no).

**SCRep. 292 Health on H.B. No. 877**

The purpose of this bill is to effectuate its title.

H.B. No. 877 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the action to report out H.B. No. 877, as amended herein, and recommends that it be recommitted to the Committee on Health, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 877, H.D. 1.

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

**SCRep. 293 International Affairs on H.B. No. 1547**

The purpose of this bill is to effectuate its title.

H.B. No. 1547 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 International Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1547, as amended herein, and recommends that it be recommitted to the Committee on International Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1547, H.D. 1.

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

**SCRep. 294 Transportation on H.B. No. 1154**

The purpose of this bill is to clarify applicable penalties to various traffic offenses.

The Department of the Prosecuting Attorney of the City and County of Honolulu and Honolulu Police Department testified in support of this bill.

Currently, the general sentencing provision contained in section 291-37(a), Hawaii Revised Statutes, conflicts with several specific sentencing provisions contained in sections the general provision covers. Your Committee finds that clarifying these sentencing provisions will eliminate any confusion that may arise from this situation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1154 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 295 Higher Education on H.B. No. 1533**

The purpose of this bill is to appropriate funds for additional positions to support a joint effort between the University of Hawaii (UH) at Manoa College of Education and Leeward Community College to recruit potential teachers from the high-need communities on the Leeward Coast and Ewa plain, and train them to become fully-qualified teachers who will remain in those communities.

The Hawaii Government Employees Association and a concerned individual testified in support of this bill. UH supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts for the six faculty positions and educational equipment to a total of \$4 to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1533, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1533, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Ching.

**SCRep. 296 Tourism & Culture on H.B. No. 993**

The purpose of this bill is to promote performance arts in Hawaii, including music, theater, and dance, by requiring the State Foundation on Culture and the Arts (Foundation) to develop a program that prioritizes performance arts and:

- (1) Gives preference to performers from the community;
- (2) Emphasizes student performance;
- (3) Considers and uses locations such as parks and gymnasiums administered by state agencies when selecting venues for performances; and
- (4) Contracts with local theaters to stage student performances in the event that a school is unable to provide an appropriate venue.

The Foundation supported the intent of this bill. The Performing Arts Presenters of Hawaii submitted comments.

Your Committee recognizes the need to ensure that programs are available to encourage arts and culture in Hawaii. Your Committee notes that testimony during the public hearing indicated that the Department of Education and the Foundation have been in discussions regarding the incorporation of arts and culture programs and outreach for students in the school system. Your Committee strongly supports these types of collaborative efforts to promote creative arts among our youth.

Your Committee has amended this measure by:

- (1) Requiring the Foundation to make recommendations regarding needed appropriations to support statewide cultural extension programs;
- (2) Including the University of Hawaii Outreach College extension program, community colleges, and other community organizations in the list of partners for the Foundation to fully implement the Hawaii Arts Education Strategic Plan;
- (3) Changing the deadline for submitting the Foundation's annual report to December 31 of each year;
- (4) Changing its effective date to January 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 993, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 297 Tourism & Culture/Agriculture on H.B. No. 1735**

The purpose of this bill is to honor the contributions of Hawaii's ranching community by establishing the Waiomina Centennial Celebration Commission to prepare and coordinate programs and activities to commemorate the centennial anniversary of the Cheyenne Frontier Days Championship of 1908.

The Waimea Community Association, Maui County Farm Bureau, and several concerned individuals supported this bill.

Your Committees have amended this measure by:

- (1) Requiring the Commission to provide a status report of its activities prior to the convening of the Regular Session of 2008; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1735, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1735, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Berg.

**SCRep. 298 Transportation on H.B. No. 1374**

The purpose of this bill is to streamline the approval process for off-hour roadwork projects by eliminating the requirement for a noise variance from the Department of Health's (DOH's) Committee on Noise Rules.

The Department of Transportation and DOH testified in support of this bill.

An increasing number of off-hour roadwork projects are being undertaken to minimize their impact on the motoring public. Currently, off-hour roadwork projects are required to obtain a variance from DOH with regard to excessive noise. This process is lengthy, time-consuming, and costly. Streamlining the approval process for these projects is important. Your Committee finds that although noise concerns are important to maintain a quality of life, these concerns can easily be addressed through the permitting process which will continue to provide an opportunity for the public to comment on applications for off-hour roadwork.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1374 and recommends that it pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

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

**SCRep. 299                    Transportation on H.B. No. 724**

The purpose of this bill is to reduce the amount deducted from the City and County of Honolulu's (City) surcharge on the State General Excise Tax (GET) to pay the State Department of Taxation for the costs incurred by the State in the assessment, collection, and disposition of the county surcharge.

The Land Use Research Foundation of Hawaii, Leeward Oahu Transportation Management Association, and several concerned individuals testified in support of this bill. The Department of Budget and Fiscal Services of the City and County of Honolulu submitted comments.

Allowing the City to retain more of the funding received from its surcharge on the GET will assist in the building of the City's recently approved fixed-guide way project.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 724 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 300                    Transportation on H.B. No. 1414**

The purpose of this bill is to appropriate funds to reimburse the Department of Taxation (DOTAX) for the costs incurred in implementing and administering the county surcharge on the State General Excise Tax (GET).

DOTAX and the Department of Budget and Fiscal Services of the City and County of Honolulu testified in support of this bill.

Act 247, Session Laws of Hawaii 2005, (Act 247) provided the counties with the authorization to adopt a surcharge on the GET (county surcharge) to give the counties a means of financing mass transit. When the City and County of Honolulu (City) adopted a surcharge on the GET, the responsibility of DOTAX to administer the county surcharge on the GET as provided for in Act 247 was triggered. However, Act 247 did not provide an appropriation to offset the initial costs that would be incurred in administering the county surcharge. As a result, the City agreed to guarantee DOTAX costs up to \$5,000,000 so as not to jeopardize funding for its mass transit project.

Your Committee notes that a mechanism for funding costs incurred in administering and collecting the county surcharge was placed in Act 247 by requiring the Director of DOTAX to deduct ten percent of the gross proceeds of the county surcharge. However, your Committee has been informed that the incidental costs were not covered under Act 247 and that without this emergency appropriation, the City will lose its \$5,000,000 guarantee.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 301                    Transportation on H.B. No. 1605**

The purpose of this bill is to enhance traffic flow on the island of Maui by appropriating funds for the design of a Maui traffic control center.

Lahaina Bypass Now testified in support of this bill. The Department of Transportation did not support this measure.

Traffic congestion continues to be a problem for the people of Maui. The establishment of a traffic control center on the island of Maui would help to maximize traffic flow and alleviate traffic congestion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1605 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 302                    Higher Education/Labor & Public Employment on H.B. No. 1012**

The purpose of this bill is to improve access to information regarding the supply and demand for workforce training. Specifically, this bill appropriates funds to the University of Hawaii (UH) to design, research, and develop a web-based interactive searchable database (Database) of workforce training opportunities that:

- (1) Enables employers to record their specific needs for training; and
- (2) Enables providers to list their courses in a way that is cross-referenced with the needs of the employers.

The Department of Education and Workforce Development Council testified in support of this bill. The Hawaii P-20 Initiative supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Clarifying that the purpose of the Database is to provide ready access to workforce training information by employers, employees, and training providers;
- (2) Clarifying that the Database also enables employers and employees to find information on classes and training programs that may meet their training needs;
- (3) Changing the appropriation amount to \$1 to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1012, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1012, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Shimabukuro, Ching and Pine.

**SCRep. 303 Labor & Public Employment on H.B. No. 1291**

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

- (1) Allows payment of interest to noncontributory member who have deductions erroneously made from their compensation;
- (2) Eliminates the eligibility of a foster child to receive death benefits of a member if the member dies in service;
- (3) Allows the ERS Board of Trustees (Board) to set the salary of the Chief Investment Officer in the same manner used to set the salary of the Administrator;
- (4) Requires contributions exceeding 75 percent of the statutory cap established for judges, legislative officers, and elected officials to be refunded when they leave service to comply with Federal Income Tax laws;
- (5) Provides post retirement benefits to contributory and hybrid plan beneficiaries who select a monthly annuity instead of the lump sum balance;
- (6) Requires post retirement allowances paid prior to the death of a contributory or hybrid plan member to be deducted from the death benefits payable under the maximum allowance or Option One balance of the insurance reserve;
- (7) Prohibits a retirant's beneficiary from electing to receive a 100 percent survivor benefit in lieu of the option selected by the retirant under certain conditions;
- (8) Requires the claims for survivor benefits to be filed no later than three years from the date of the retirant's death;
- (9) Deletes the requirement that ordinary death benefits be computed in the same manner as ordinary disability benefits for deceased members with 10 years of service who are not eligible for retirement;
- (10) Allows the Board to adopt actuarial tables, factors, or assumptions at a duly notice meeting;
- (11) Provides criteria for the conversion of noncontributory service to hybrid service once conversion is allowed; and
- (12) Allows hybrid plan members to retire at any time once their ordinary disability applications have been approved by the Board.

The Department of Budget and Finance, ERS Board of Trustees, Office of Hawaiian Affairs, and Hawaii State Teachers Association testified in support of this bill.

Your Committee finds that this bill streamlines the administration of the ERS' and conforms existing statute to current operating practices of the ERS.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1291 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 304 Labor & Public Employment on H.B. No. 247**

The purpose of this bill is to allow retirees in the Employees' Retirement System who retired before November 30, 2004, to change their pension payment options if their beneficiaries predecease them.

The Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance opposed this measure. The Employees' Retirement System offered comments.

Your Committee finds that individuals who retired after November 30, 2004, have the option of choosing to receive increased benefits if their beneficiaries predecease them. This bill would extend the option to those who retired prior to November 30, 2004.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2009, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 247, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 305 Labor & Public Employment on H.B. No. 964**

The purpose of this bill is to facilitate employment-related drug testing by:

- (1) Allowing the use of substance abuse tests that may be used for forensic testing as a workplace drug testing device; and
- (2) Requiring that these substance abuse tests be administered in accordance with the manufacturer's recommendations.

The Pacific Resource Partnership and Branam Medical Corporation testified in support of this bill. The Department of Human Resources Development and Department of Health testified in opposition to this measure.

Drug use, especially the use of "crystal meth", is a major problem facing Hawaii. In particular, employers are discovering that substance abuse is a growing problem in the workplace that contributes to an impaired workforce resulting in work quality issues. In an effort to promote drug-free environments, many employers require prospective employees to be subjected to substance abuse screening prior to employment. However, these tests can be costly and difficult to schedule since only a few laboratories conduct them. With the growing popularity of oral fluid drug screens on the West Coast, your Committee finds that the use of these devices in Hawaii may provide a cost effective way for employers to provide drug screening of potential employees.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 964, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 306 Higher Education on H.B. No. 586**

The purpose of this bill is to ensure the availability of public health workers trained in civil defense, emergency response, and community health, by appropriating funds for the development, staffing, and implementation of a Public Health Distance Training Program at the University of Hawaii (UH) that will be accessible by students across the state.

Several concerned individuals testified in support of this bill. The John A. Burns School of Medicine of the UH supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 586, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Ching.

**SCRep. 307 Higher Education/Labor & Public Employment on H.B. No. 1013**

The purpose of this bill is to broaden the education and career choices of Hawaii's students by increasing the availability of experiential learning opportunities. Specifically, this bill appropriates funds for the University of Hawaii to:

- (1) Research and develop a statewide web-based database of experiential learning opportunities; and
- (2) Perform a study to identify and determine barriers to businesses and organizations that wish to volunteer to provide experiential learning opportunities to students.

The Workforce Development Council and CTA Solutions testified in support of this bill. The Department of Education and Hawaii P-20 Initiative supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Changing the appropriation amounts to \$1 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 Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1013, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1013, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Lee, Shimabukuro, Ching and Pine.

**SCRep. 308 Judiciary on H.B. No. 1211**

The purpose of this bill is to provide parity for attorneys appointed as guardians ad litem and counsel in Family Court civil cases by:

- (1) Increasing their fees;
- (2) Transferring the payment and budget request functions for these expenses from the Judiciary to the Department of Budget and Finance (B&F); and
- (3) Appropriating unspecified sums to both the Judiciary and B&F.

The Judiciary and the Family Law Section of the Hawaii State Bar Association testified in support of this bill. B&F and a concerned individual offered comments.

Your Committee finds that the fees for defense attorneys for indigent criminal defendants were increased through Act 86, Session Laws of Hawaii 2005.

Your Committee has amended this bill by:

- (1) Deleting the provision requiring the inclusion of these expenses into B&F's budget request;
- (2) Deleting the unspecified appropriations to the Judiciary and B&F; and
- (3) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1211, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1211, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, Souki and Pine.

**SCRep. 309 Labor & Public Employment on H.B. No. 1258**

The purpose of this bill is to ensure a ten percent increase in the State's share of recoveries in actions for false claims against the Medicaid program by bringing the State's false claims law into compliance with the federal requirement that state law provide a cause of action for persons who suffer retribution or discrimination from employers for reporting violations of the false claims law.

The Department of the Attorney General and Department of Human Services testified in support of this measure.

Your Committee finds that a State must share proceeds recovered from actions relating to Medicaid fraud, with the federal government in the same proportion as the federal government's share of the cost of the Medicaid program. The federal Deficit Reduction Act of 2005 allows a State to receive a ten percent increase in its share of recoveries for false Medicaid claims, if the State's false claims law meets certain requirements. One such federal requirement is that the state law provides a cause of action for individuals who suffer retribution from employers due to the individuals' reporting of violations of the false claims law. This bill would bring Hawaii's false claims law into compliance with that federal requirement.

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. 1258 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

**SCRep. 310 Labor & Public Employment on H.B. No. 1746**

The purpose of this measure is to:

- (1) Extend the sunset date of the Voluntary Employees' Beneficiary Association (VEBA) Trust pilot program for a period of five years to allow for a complete and thorough analysis of the benefits and drawbacks of the program to determine whether the program should be continued; and
- (2) Require any employee organization that establishes a VEBA Trust to submit a report to the Legislature on the status of the VEBA Trust after two full years of implementation and annually thereafter.

The Hawaii State Teachers Association (HSTA), Hawaii State Teachers Association-Retired Oahu District, Hawaii State Teachers Association – Retired, and numerous individuals testified in support of this bill. The Attorney General opposed this measure. The Department of Budget and Finance did not support this bill. The Hawaii Government Employees Association Retirees Unit commented on this measure.

Escalating cost of medical coverage requires that alternate methods for the provision of health benefits to public employees be explored and analyzed. Act 245, Session Laws of Hawaii 2005 (Act 245) authorized the establishment of a pilot program for the establishment of VEBA trusts with the hopes that this would provide valuable insight to the viability of VEBA trusts as a cost-savings mechanism for the State. Difficulties faced by HSTA in starting up their VEBA Trust pilot program caused unforeseen delays in implementation of the program. Although Act 245 became effective on July 25, 2005, the program did not become effective until March 1, 2006. Your Committee finds that two years is insufficient time to complete a thorough cost benefit analysis of this program.

Your Committee understands the concerns raised by B&F and the Attorney General and finds that it may be prudent for an independent agency to conduct a study of whether VEBA Trusts are cost beneficial to the State in addition to the report covered under this Act. It is the intent of your Committee to request a resolution requiring such a study to be drafted for introduction.

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. 1746 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 311 Labor & Public Employment on H.B. No. 859**

The purpose of this bill is to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Specifically, this measure:

- (1) Allows a public employer to negotiate over procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions; and
- (2) Requires negotiations over the impact of transfers, assignments, and layoffs of public employees.

The Hawaii Government Employees Association and Hawaii State Teachers Association testified in support of this bill. The Department of Human Resources Development, Office of Collective Bargaining, Attorney General, Judiciary, Department of Education, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Department of Personnel Services of the County of Maui, Honolulu Fire Department, Fire Department of the County of Hawaii, Honolulu Police Department, Maui Police Department, and Hawaii Police Department opposed this measure.

Your Committee finds that pursuant to Act 399, Session Laws of Hawaii 1988, the Legislature amended subsection 89-9(d), Hawaii Revised Statutes (HRS), to expand the scope of collective bargaining in the public sector. The amendment was intended to protect contract provisions that would otherwise be considered invalid due to a literal interpretation of what are considered to be management rights.

Under current collective bargaining agreements, provisions regarding standards, criteria, and procedures relating to employee hiring, promotions, transfer, assignment, retention, suspension, demotion, discharge, disciplinary actions, layoffs, and displacement for lack of work and other similar personnel actions are widely incorporated and used.

Your Committee finds that negotiations over procedures and criteria of promotions, transfers, assignments, demotions, layoffs, suspension, terminations, discharges, or other disciplinary actions, and negotiations over the impact of transfers, assignments, and layoffs, are consistent with the underlying purpose of chapter 89, Hawaii Revised Statutes. Exclusive representatives and public employees have negotiated over these subject matters since 1970. This measure attempts to clarify the rights of public employees to engage in collective bargaining under chapter 89, Hawaii Revised Statutes, in light of recent court decisions, Hoopai v. Civil Service Comm'n, 106 Hawai'i 205 (2004) and United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005).

However, your Committee understands the concerns raised by public employers that this measure, as currently drafted, will hinder a public employer's ability to effectively manage public employees and provide the most efficient government operations the people of Hawaii deserve. Nevertheless, your Committee finds that this matter warrants further discussion.

Accordingly, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2009, to facilitate further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 859, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 312 International Affairs on H.B. No. 34**

The purpose of this bill is to voice Hawaii's opposition to the humanitarian crisis presently occurring in the Darfur Region of Sudan by prohibiting the Employees' Retirement System from investing in securities of companies that have active business operations with Sudan.

The Hawaii Family Forum, Hawaii Coalition for Darfur, Americans for Democratic Action, Interfaith Alliance Hawaii, and a concerned individual testified in support of this bill. The Employees' Retirement System offered comments.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 34 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 313 Economic Development & Business Concerns on H.B. No. 102**

The purpose of this bill is to help public assistance recipients meet basic needs and work toward self-sufficiency by:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to annually establish a self-sufficiency standard based on existing models to be used by the Department of Human Services (DHS) in calculating public assistance payments;
- (2) Requiring DBEDT to provide annual reports to the Legislature on the self-sufficiency standard, beginning 20 days prior to the Regular Session of 2008;
- (3) Implementing calculation of public assistance payments based on the self-sufficiency standard beginning July 1, 2008; and
- (4) Specifying that DHS submit annual reports to the Legislature on the number of persons exiting public assistance programs after the implementation of the self-sufficiency standard, beginning 20 days prior to the Regular Session of 2009.

The Hawaii Alliance for Community-Based Economic Development, Hawaii State Commission on the Status of Women, Aloha United Way, National Association of Social Workers, and a concerned individual testified in support of this bill. DBEDT supported the intent of this measure. DHS commented on this bill.

Your Committee finds that developing a self-sufficiency standard is essential for Hawaii. An annually adjusted self-sufficiency standard will allow Hawaii to better provide living wages and an adequate level of assistance to the needy. In doing so, we will help people build assets and improve their lives economically, and in turn, socially.

Your Committee notes that it was reported earlier that DBEDT requested \$250,000 for fiscal year 2007-2008 and \$415,000 for fiscal year 2008-2009 to develop a self-sufficiency standard. However, according to DBEDT, only approximately \$50,000 and one individual are necessary to establish a self-sufficiency standard and the remainder of the appropriation request was for other projects.

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. 102, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 314 Economic Development & Business Concerns on H.B. No. 863**

The purpose of this bill is to ensure that private construction contracts where more than half of the project will be used by the State or a county, will comply with the prevailing wage law by requiring:

- (1) The project owner to certify that the project will comply with the prevailing wage law;
- (2) The certification to be filed with the Department of Labor and Industrial Relations and Department of Accounting and General Services; and
- (3) The project owner to submit certified payrolls weekly to the governmental agency that will be using the project.

The Hawaii Carpenters Union supported this bill. The Department of Labor and Industrial Relations commented on the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 315 Economic Development & Business Concerns on H.B. No. 1931**

The purpose of this bill is to continue to provide support to decentralize and increase reliability in the production of electric energy on the Big Island by extending the authorization to issue special purpose revenue bonds (SPRBs) to assist Hui Enekinia Hawaii to establish a cogeneration facility. The electricity generated by the facility will be sold to Hawaii Electric Light Company, Inc., and the thermal output, to manufacturing and processing businesses in the area.

Hui Enekinia Hawaii and a concerned individual supported this bill.

Your Committee finds that the SPRBs authorized in this bill were initially for the generation of electricity and the pumping and storage of water on the Big Island. However, this project failed due to changes in ownership. The project currently envisioned involves a steam generating unit fired by biomass, and the energy not used for milling forest products will be used to generate electricity.

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. 1931 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 316 Economic Development & Business Concerns/Tourism & Culture on H.B. No. 1018**

The purpose of this bill is to allow regulation protecting the interests of neighbors and residents of condominium hotels by establishing a condominium hotel class of liquor license.

The Hawaii Hotel & Lodging Association and Outrigger Enterprises, Inc., testified in support of this bill.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2025, 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 Economic Development & Business Concerns and Tourism & Culture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1018, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1018, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hanohano and Ching.

**SCRep. 317 Economic Development & Business Concerns on H.B. No. 1105**

The purpose of this bill is to effectuate its title.

H.B. No. 1105 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the action to report out H.B. No. 1105, as amended herein, and recommends that it be recommitted to the Committee on Economic Development & Business Concerns, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 1105, H.D. 1.

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

**SCRep. 318 Health on H.B. No. 1370**

The purpose of this measure is to make an emergency appropriation for fiscal year 2006-2007 of \$8,377,698 from general funds to the Department of Health for ongoing services provided by the department's adult mental health division.

Your Committee finds that this emergency appropriation is necessary to continue existing services during a period in which increasing numbers of people require access to adult mental health services. This increase is due in large part to the settlement agreement in *United States v. State of Hawaii, et al.*, under which processes and services were put into place that allow consumers in Hawaii to more effectively access services.

The Department of Health, Hawaii Psychiatric Medical Association, and the National Alliance on Mental Illness – O'ahu submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1370 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, Shimabukuro and Takai.

**SCRep. 319 Health on H.B. No. 1377**

The purpose of this bill is to appropriate emergency funding to increase the expenditure ceiling of the Health Systems Special Fund (Special Fund) necessary to cover increasing expenses relating to the ongoing operation, services, and activities of the Hawaii Health Systems Corporation (HHSC).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 238 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$41,000,000 for fiscal year 2006-2007 from the Special Fund to be used to:

- (1) Sustain the ongoing operation and services at various state hospitals; and
- (2) Provide critical access care, medical and surgical services, and specialty care.

The appropriation is to be expended by HHSC.

HHSC supported this bill. People United to Support a Second Hospital submitted comment on this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1377 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 and Shimabukuro.

**SCRep. 320 Health on H.B. No. 1378**

The purpose of this bill is to ensure the health and safety of residents of the north shore and the windward coast of Oahu by preventing the closure of Kahuku Hospital.

Specifically, this bill makes an emergency appropriation of \$950,000 for fiscal year 2006-2007, to fund a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Kahuku Hospital to address the estimated cash shortfall projected for the first half of 2007, consisting of operating losses, the costs of Kahuku Hospital's Chapter 11 reorganization proceeding, and the transfer of Kahuku Hospital to the Hawaii Health Systems Corporation; provided that during the Regular Session of 2007, the Legislature authorizes such a grant. The appropriation is to be expended by the Department of Health.



Testimony in support of this bill was submitted by the Department of Health, the Board of Directors of Kahuku Hospital, Kahuku High and Intermediate School, the Council of the City and County of Honolulu, Brigham Young University Hawaii, Hawaii Reserves, Inc., the Healthcare Association of Hawaii, the Polynesian Cultural Center, United Public Workers AFSCME, Local 646, AFL-CIO, Koolau Loa Neighborhood Board #28, Kahuku Hospital Laboratory, and one hundred thirty-eight individuals.

Your Committee finds that Kahuku Hospital is a twenty-five bed facility that provides emergency care, general acute care, surgery, skilled nursing, ancillary care, and other health care services to the residents of the north shore of Oahu from Waimea Bay to Kahana. Because of continuing operating losses, the board of directors of Kahuku Hospital voted in November 2006 to file for chapter 7 reorganization to liquidate non-exempt assets and close down the hospital on December 31, 2006.

Your Committee finds that it is in the public interest and for the public health, safety, and general welfare to keep Kahuku Hospital operating in order to serve the residents of the north shore of Oahu by enabling it to file for chapter 11 rather than for chapter 7 bankruptcy, which would allow the hospital to: continue operations; preserve its hospital license; retain its certificate of need and critical access hospital designation; reorganize; and settle its debts.

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. 1378 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 321 Health on H.B. No. 225**

The purpose of this bill is to ensure proper distribution of taxes collected from the sale of cigarettes by:

- (1) Clarifying that the cigarette tax collected pursuant to section 245-15, Hawaii Revised Statutes, will be assessed on a per cigarette basis; and
- (2) Ensuring that the cigarette taxes collected are earmarked for designated special funds through the year 2011 and beyond.

The Department of Health, Department of Taxation, Honolulu Emergency Services Department, University of Hawaii System, Hawaii Primary Care Association, Coalition for a Tobacco Free Hawaii, American Heart Association of Hawaii, American Cancer Society, Queen's Medical Center, and Hawaii Pacific Health supported this bill. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the effective date of subsequent increases in the cigarette tax to begin after September 30, instead of September 29 of each respective year; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 225, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 322 Higher Education/Human Services & Housing on H.B. No. 814**

The purpose of this bill is to assure the well-being of the State's older adults by stimulating and coordinating gerontological and aging instruction, research, and community services. Specifically, this bill appropriates funds for additional faculty positions to staff the Center on Aging Research and Education.

The Hawaii Aging Advocates Coalition, Policy Advisory Board for Elder Affairs, and several concerned individuals testified in support of this bill. The University of Hawaii supported the intent of this measure. Kokua Council supported this bill with amendments.

Your Committees have amended this bill by:

- (1) Changing the appropriation amounts to \$1 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 Higher Education and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 814, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 814, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto, Rhoads, Saiki, Takamine, Awana and Ward.

**SCRep. 323 Labor & Public Employment/Legislative Management on H.B. No. 391**

The purpose of this bill is to ensure that the Legislature receives complete and truthful disclosure when it conducts fact-finding duties by prohibiting the payment of salaries to those state employees who coerce, intimidate, or otherwise prevent subordinates from sharing public information at legislative hearings or in response to other legislative functions.

The Department of the Attorney General testified in opposition to this measure.

It has been brought to the Legislature's attention that front-line staff, who often are in the best position to offer the most insight into the inner workings of various departments and agencies, do not want to testify or present information because of fear of retribution. This measure will promote public confidence in government by allowing these individuals to share their knowledge with the policymakers and providing for more honest and open government.

While your Committees understand the legal concerns raised by the Attorney General, particularly those concerns dealing with the release of privileged information, this matter warrants further discussion. Your Committees respectfully request the Committee on Finance to continue to examine the concerns raised by the Attorney General.

Your Committees have amended this bill by:

- (1) Changing its effective date to July 1, 2009, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Legislative Management that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 391, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 391, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 324 Transportation/Public Safety & Military Affairs on H.B. No. 1608**

The purpose of this bill is to protect public health and safety during traffic emergencies by allowing for the establishment of traffic emergency zones to provide access to an affected area.

The Department of Transportation (DOT) and Maui Land and Pineapple Company, Inc., testified in support of this bill. The State Procurement Office testified in opposition to the part of the bill exempting state highway improvements from the Hawaii Public Procurement Code once an area has been designated as a traffic emergency zone.

Your Committees find that many communities throughout the state, especially those with limited highway access, are often affected when a major accident or natural disaster occurs. Some communities have faced hours of isolation in such instances. Allowing traffic emergency zones to be established will aid DOT in providing quicker access to areas affected by the closure of the only means of travel into or out of a community.

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 H.B. No. 1608 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Takamine, Takumi and Meyer.

**SCRep. 325 Transportation on H.B. No. 894**

The purpose of this bill is to address the current shortage of commercial drivers within the State of Hawaii by allowing drivers who are 18 years-of-age or older to qualify for a Commercial Drivers' License (CDL) to transport intrastate commerce.

The Hawaii Transportation Association and President of U. Okada & Co. Ltd. testified in support of this bill. The Department of Transportation (DOT) testified in opposition to this measure.

Hawaii, like the rest of the nation, faces a shortage of commercial drivers. With increased economic activity resulting in increased freight volume and increased tourism in Hawaii, the situation is expected to worsen. Allowing individuals who are 18 years-of-age or older to qualify for a CDL, with certain restrictions, is an attempt to deal with the need for professional drivers.

While your Committee understands the safety concerns raised by DOT regarding the age of CDL drivers and the maturity level needed to operate a commercial vehicle, especially larger trailer-type vehicles, and recognizes that current federal regulations require CDL drivers to be at least 21 years of age, this idea deserves further discussion.

Your Committee has amended this bill by clarifying that:

- (1) An individual who is at least 18 years-of-age but under the age of 21 is permitted to drive a commercial motorvehicle under certain conditions in lieu of a CDL; and
- (2) Maintaining a provisional driver's license for two years immediately preceding driving commercially fulfills one of the conditions for allowing an individual who is at least 18 years-of-age but under the age of 21 to drive commercially.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 894, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 326 Transportation on H.B. No. 1175**

The purpose of this bill is to address the application of joint and several liabilities in tort claims relating to highway maintenance and design against governmental entities by limiting liability to the percentage of the share of damages attributable to the governmental entity.

The Department of the Attorney General, Department of Transportation, Department of the Corporation Counsel of the City and County of Honolulu, Office of the Corporation Counsel of the County of Hawaii, and the American Council of Engineering Companies of Hawaii testified in support of this bill. The Consumer Lawyers of Hawaii, Coalition of Hawaii Engineering and Architectural Professionals, Hawaiian Telcom, Hawaiian Electric Company, Hawaiian Electric Light Company, and Maui Electric Company testified in opposition to this measure. The Mayor of the County of Hawaii submitted comments on this bill.

In 2006, the Hawaii Supreme Court ruled in *Kienker v. Bauer*, that the abolition of joint and several liabilities by section 663-10.5, Hawaii Revised Statutes, did not apply to highway design and maintenance claims. This decision was based upon the legislative intent to retain governmental joint and several liability for highway claims expressed in both House and Senate Standing Committee Reports for Act 213, Session Laws of Hawaii 1994, because of government's unique responsibility over highways and the important public policy of providing safe highways for our citizens.

While governmental entities do play a role in the design and maintenance of highways, your Committee finds that these entities should not be held liable for more than their fair share of liability when they are determined to be joint tortfeasors.

Your Committee also believes that protection for joint and several liability should be extended to other entities, such as utility companies and professional highway design consultants contracted by a governmental entity, that have a role in the maintenance or design of highways. Accordingly, your Committee has amended this bill by:

- (1) Specifying that in cases where a public utility is a tortfeasor, the public utility shall only be liable for that percentage share of the damages attributable to the public utility;
- (2) Classifying professional consultants contracted by a government agency as a "government entity"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1175, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 327                    Transportation on H.B. No. 1428**

The purpose of this bill is to assist the Department of Transportation (DOT) in maintaining Hawaii's highways by transferring \$36.4 million in general funds in fiscal year 2007-2008 and \$36.4 million in general funds in fiscal year 2008-2009 to the State Highway Fund.

DOT and the Hawaii Transportation Association testified in support of this bill.

Currently, operational and project requirement costs exceed revenues being deposited into the State Highway Fund. This appropriation will ensure that funding will be available to operate, maintain, and construct the state highway system for the fiscal biennium of 2007-2009.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1428, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 328                    Tourism & Culture/Public Safety & Military Affairs on H.B. No. 575**

The purpose of this bill is to enhance the safety and welfare of visitors and residents in Hawaii by:

- (1) Requiring the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) to request the Governor to declare that a tourism emergency exists if the Board of HTA determines that an adverse effect on Hawaii's tourism industry resulting from world conflict, terrorist threat, natural disaster, or disease outbreak may result in a substantial interruption of commerce in Hawaii and adversely affect the welfare of the people;
- (2) Upon the Governor's declaration that a tourism emergency exists, allowing HTA to implement measures to respond to the emergency;
- (3) Establishing the Tourism Emergency Trust Fund (Trust Fund) to provide for the implementation of emergency measures to respond to the tourism emergency; and
- (4) Specifying that, except for funds authorized for expenditure by the Legislature, funds in the Tourism Special Fund shall be deposited into the Trust Fund to maintain the balance of \$5,000,000.

The Department of Business, Economic Development, and Tourism, HTA, Hawaii Hotel & Lodging Association, and The Chamber of Commerce of Hawaii supported this bill.

Your Committees believe that this measure contains important mechanisms, including funding, to protect our visitors and our residents in the event of natural disasters, terrorist threats, and other emergencies.

Your Committees have amended this measure by:

- (1) Changing its effective date to January 1, 2025, 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 Tourism & Culture and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 575, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 575, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Brower, Lee, Luke, Nishimoto, Takamine, Takumi, Wakai, Ching and Marumoto.

**SCRep. 329                    Higher Education/Economic Development & Business Concerns on H.B. No. 180**

The purpose of this bill is to assist small businesses through management-force training by appropriating funds to the Hawaii Small Business Development Center Network (HSBDCN) to:

- (1) Fill the position of an associate state director;
- (2) Re-establish a consulting and training program in Kailua-Kona that will bring HSBDCN into compliance with the requirements of the United States Small Business Administration;
- (3) Fill a position at the Hawaii Business Research Library and at the Honolulu Center, and to create an additional position at the Honolulu Center; and
- (4) Restore funds lost to indirect fees.

The Office of Hawaiian Affairs, HSBDCN, Tanimoto Gallery & Framing LLC, Honolulu Culture & Arts District Association, IN DIS LIFE, and a multitude of concerned individuals and entities testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Clarifying that funding the initiatives included in this bill would generate an annual economic impact of approximately \$29,000,000, rather than \$29,000;

- (2) Changing the appropriation amounts for the three positions, to re-establish a consulting and training program, and to restore funds lost to indirect fees, to a total of \$4 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 Higher Education and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 180, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 180, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Shimabukuro, Takamine, Tsuji and Marumoto.

**SCRep. 330 Energy & Environmental Protection on H.B. No. 1278**

The purpose of this bill is to enable the State to continue to offer low-cost loans to assist eligible borrowers to clean up contaminated properties.

Specifically, this bill repeals the sunset date of the Hawaii Brownfields Cleanup Revolving Loan Fund that was scheduled to be repealed on June 30, 2007, pursuant to Act 173, Session Laws of Hawaii 2002. The revolving fund assists eligible borrowers with the cleaning of contaminated sites in accordance with federal environmental and hazardous substances pollution guidelines.

Your Committee received testimony in support of this bill from the Office of Planning, Department of Business, Economic Development, and Tourism and the Department of Health.

Your Committee finds that the United States Environmental Protection Agency defines brownfields as "abandoned, idled, or underused industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination." Your Committee finds that brownfields redevelopment serves to:

- (1) Promote economic revitalization of communities through the redevelopment and reuse of abandoned and underutilized sites;
- (2) Eliminate or reduce potential public and environmental health risks through the cleanup of contaminated sites; and
- (3) Promote efficient and effective use of the State's existing urbanized areas and assistance in relieving development pressure on undeveloped open lands or agricultural lands.

Your Committee believes that the continuation of the brownfields cleanup revolving fund is in the public interest and will promote the public health, safety, and general welfare of the people of the State.

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. 1278 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 331 Energy & Environmental Protection on H.B. No. 1289**

The purpose of this measure is to clarify the Public Utilities Commission's authority to consider the use of renewable energy in the State.

Your Committee has amended the measure by replacing its contents with those of H.B. No. 645 and incorporating the original contents of this measure into H.B. No. 1005. This action was necessary because of a potential constitutional problem with the title of H.B. No. 645.

The purpose of this measure, as amended, is to clarify that in order to qualify for the renewable energy technology tax credit, the renewable energy technology system must be installed and operated in the State.

The measure also removes the term "resident" with respect to a qualifying taxpayer eligible for the renewable energy technology system tax credit.

Presently, your Committee finds that the renewable energy technology system tax credit provides a generous tax incentive for property owners to install and operate solar thermal energy systems, wind powered energy systems, or photovoltaic energy systems. There appears, however, some confusion as to whether the renewable energy technology system tax credit applies to systems installed and operated outside of the State.

This measure clarifies that the tax credit only applies to systems installed in the State.

Your Committee received favorable testimony supporting the measure from the Hawaii Renewable Energy Alliance. Your Committee also received comments from the Department of Taxation and the Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1289, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 332 Human Services & Housing on H.B. No. 668**

The purpose of this bill is to restore moneys that were previously transferred for budgetary reasons, to the following housing revolving funds:

- (1) State Low-Income Housing Revolving Fund;
- (2) Rental Housing Trust Fund;
- (3) Dwelling Unit Revolving Fund;
- (4) Rental Assistance Revolving Fund; and
- (5) Housing Finance Revolving Fund.

The Hawaii Housing Finance and Development Corporation supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 668 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 333 Human Services & Housing on H.B. No. 666**

The purpose of this bill is to provide a mechanism for the State to purchase the Kukui Gardens rental housing complex by allowing the Director of Finance to adjust the ceiling on the amount of revenue bonds issued by the State.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Faith Action for Community Equity, and EAH Housing testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

- (1) Replacing the provisions allowing the Director of Finance to adjust the ceiling on the amount of revenue bonds issued by the State with provisions that raise the amount of revenue bonds that may be issued by the Hawaii Housing Finance and Development Corporation from \$300,000,000 to \$400,000,000;
- (2) Changing the effective date to July 1, 2066, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 666, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 334 Human Services & Housing on H.B. No. 320**

The purpose of this bill is to improve the safety and security at Mayor Wright Homes by appropriating funds for three additional full-time security officers.

Several concerned individuals testified in support of this bill. The Hawaii Public Housing Authority (HPHA) provided comments.

Your Committee is encouraged that HPHA is working toward improving security at Mayor Wright and is hopeful that HPHA will include additional funds in its Executive Budget for more security. Additionally, HPHA is encouraged to consider a broad range of solutions, including 24-hour security, metal detectors, and other measures to ensure safety and security at Mayor Wright homes around the clock.

Your Committee heard testimony that while rules exist at Mayor Wright Homes, they are not always enforced. HPHA is urged to determine whether rules need to be better enforced and pursue legal action against those who violate the rules. HPHA is also urged to investigate allegations that the board of Mayor Wright Homes may be a hindrance to solving safety and security issues.

While it is not your Committee's intent to micromanage Mayor Wright Homes, it is concerned that security issues were not solved at a lower level, and that it took the introduction of a bill in the Legislature for these concerns to be heard and for action to be taken.

Your Committee has amended this bill by:

- (1) Requiring HPHA to submit a report to the Legislature prior to the convening of the 2008 Regular Session on the progress of security improvements at Mayor Wright Homes;
- (2) Specifying that the appropriation is for a minimum of three security officers; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 320, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

**SCRep. 335 Human Services & Housing on H.B. No. 835**

The purpose of this bill is to assist individuals in danger of losing their housing by:

- (1) Establishing the Pineapple Employees and Retirees Housing Revolving Fund to provide low-interest loans or grants to acquire or rehabilitate existing housing, or acquire housing elsewhere;
- (2) Establishing the Pineapple Employees and Retirees Rental Housing Fund to provide rent subsidies for pineapple employees, retirees, and their families affected by plantation closures;
- (3) Establishing the Pineapple Employees and Retirees Homeownership Counseling Program; and
- (4) Appropriating funds for the new funds and programs established in this measure.

The Hawaii Housing Finance and Development Corporation (HHFDC), ILWU Local 142, and several concerned individuals testified in support of this bill.

Your Committee is encouraged by the support expressed for the affected pineapple employees and retirees. However, concerns were raised related to the environmental hazards of the land where the homes are located. HHFDC noted concerns raised by the Attorney General that Kunia Camp has been placed on the Federal Environmental Protection Agency's (EPA) National Priority List (known as "Superfund"), while Poamoho Camp has been removed from the list.

Residents of Kunia Camp have received notice of the environmental concerns, but have been reassured that clean-up is underway. Your Committee encourages the appropriate entities to research the Hawaii Brownfields Assessment Program to further assist in clean-up efforts.

Your Committee has amended this bill by:

- (1) Clarifying that this measure is for the benefit of the public health, safety, and welfare; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 835, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 835, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 336 Human Services & Housing on H.B. No. 487**

The purpose of this bill is to make housekeeping amendments relating to references that were affected by the split of the Housing and Community Development Corporation of Hawaii (HCDCH) into the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA).

HHFDC testified in support of this bill. HPHA provided comments.

Your Committee notes that this measure is a result of Section 14 of Act 180, Session Laws of Hawaii 2006, which required the Legislative Reference Bureau to prepare legislation to substitute statutory references resulting from the HCDCH split. Additionally, HHFDC noted further corrections and clarifying amendments.

Accordingly, your Committee has amended this bill by:

- (1) Correcting a reference relating to homeless programs, which fall under the purview of HPHA;
- (2) Changing a reference to the "developments known as Kealakehe and Lahaina" to "the villages of Leal'i, Maui and villages of La'io'pua, Hawaii," for consistency; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 487, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 487, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 337 Human Services & Housing/Health on H.B. No. 426**

The purpose of this bill is to provide better prescription drug access to Medicaid patients by providing prescriptive authority to Advance Practice Registered Nurses (APRNs) to prescribe psychotropic medications, except under QUEST plans, and requiring annual reports from the Department of Human Services (DHS) regarding the number of psychotropic medications prescribed by APRNs.

The Hawaii Psychiatric Medical Association and many concerned individuals testified in support of this bill. The Hawaii Medical Association opposed this measure. DHS provided comments.

Your Committees have amended this bill by:

- (1) Deleting the provision that exempted QUEST plans from APRN prescriptive authority;
- (2) Specifying that APRNs must enter into a collegial relationship with a psychiatrist or physician to prescribe psychotropic medications; 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 & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 426, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 426, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Tokioka.

**SCRep. 338 Human Services & Housing/Health on H.B. No. 528**

The purpose of this bill is to allow a minor who is not under the care or custody of a parent or other guardian to consent to the provision of primary medical care and services.

The Hawaii Primary Care Association, Waikiki Health Center, Hale Kipa, National Association of Social Workers Hawaii Chapter, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaii Medical Association, Hawaii Youth Services Network, Kaiser Permanente, Queen's Medical Center, and many concerned individuals testified in support of this bill. The Hawaii Medical Service Association supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Specifying that health care practitioners are not liable for treating a minor patient who misrepresented themselves as a minor without support;
- (2) Inserting provisions pertaining to confidential communications under the federal Health Insurance Portability and Accountability Act; 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 & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 528, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 528, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 339 Energy & Environmental Protection on H.B. No. 1912**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist BlueEarth Maui Biodiesel, LLC, with the construction of a biodiesel refinery on Maui.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development, and Tourism. Comments on the measure were received from the Department of Budget and Finance, BlueEarth Biofuels, LLC, and Life of the Land.

Your Committee finds that construction of a biodiesel refinery will supply a renewable source of fuel for electrical generation to replace petroleum-based fuel in diesel-powered generators. Your Committee further finds that support for the growth of Hawaii's bioenergy industry will create more high paying high technology jobs and comports with the goals of the State's renewable portfolio standard and alternate fuels standard.

Your Committee finds that although there were concerns expressed regarding BlueEarth Maui Biodiesel, LLC, itself the type of project proposed by BlueEarth Maui Biodiesel, LLC deserves support.

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. 1912 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 340 Economic Development & Business Concerns on H.B. No. 1307**

The purpose of this bill is to streamline the business registration requirements for foreign nonprofit corporations and foreign limited liability companies.

More specifically, the bill eliminates confusion in business registration requirements for certain foreign businesses by clarifying that a business registration application requires the:

- (1) Mailing address of the corporation's principal office in Hawaii;
- (2) Street address of its registered office in Hawaii; and
- (3) Name of its registered agent at its registered office in Hawaii.

The Department of Commerce and Consumer Affairs submitted testimony in support of this bill.

Your Committee finds that this measure makes statutory amendments to conform with Act 235, Session Laws of Hawaii 2006, by clarifying that a foreign entity must include information on its current principal office, registered agent, and registered office in this State rather than the "initial" principal office, registered agent, and registered office on its business registration application. This measure establishes uniform business registration requirements for all business entities, whether foreign or domestic.

Your Committee has amended the bill by changing the effective date to July 1, 2034, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1307, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1307, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

**SCRep. 341 Economic Development & Business Concerns on H.B. No. 312**

The purpose of this bill is to fund the Hawaii Community-Based Economic Development Program to provide assistance to community based businesses.

Supporting testimony was submitted by: the Department of Business, Economic Development, and Tourism; a member of the Hawaii Community-Based Economic Development Program Advisory Committee; the Maui County Office of Economic Development; the Kaua'i Economic Development Board, Inc.; the Kaua'i Community College; the Hawai'i Alliance for Community-Based Economic Development; the Small Business Development Network, Kaua'i and Maui Centers; the Kona Pacific Farmers Cooperative; and The Arc of Kauai for Children and Adults with Disabilities.

Your Committee finds that community-based businesses require a functional, service-oriented agency that can provide general support, such as business counseling and consulting, and that, particularly, can provide financial support for community-based economic development. The Hawaii Community-Based Economic Development Program, established by Act 111, Session Laws of Hawaii 1990, provides essential support to communities to achieve self-reliance and sustainability through economic development. Besides business counseling and consulting, the program offers seeding and matching grants to community-based for-profit and nonprofit companies alike, thus fostering new start-ups, encouraging entrepreneurship, and building capacity and creating sustainable jobs.

Your Committee has amended this measure by:

- (1) Redirecting the general fund appropriation in section 2 of the bill to be deposited into the community-based economic development revolving fund;
- (2) Adding a new section 3 appropriating the funds out of the community-based economic development revolving fund for the community-based economic development program;
- (3) Renumbering the remaining sections consecutively; and
- (4) Changing its effective date from July 1, 2007, to July 1, 2034, to facilitate further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 312, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 342 Economic Development & Business Concerns on H.B. No. 1277**

The purpose of this bill is to stimulate investment in and revitalization of the Leeward Coast region of Oahu by expanding the Ko Olina Resort and Marina and Makaha Resort tax credit to cover expenditures for infrastructure or building improvements to commercial property used by a business within the Leeward Coast.

The Department of Taxation, Department of Business, Economic Development, and Tourism, and Office of Planning testified in support of this bill.

Your Committee understands that the developer of the Ko Olina Resort and Marina no longer needs the tax credit. However, although your Committee continues to support revitalization of the Leeward Coast, it cannot support transferring this \$75,000,000 credit for the specific purposes described in this bill without any justification for the credit amount or other due diligence. Accordingly, your Committee has amended this measure by:

- (1) Repealing the Ko Olina Resort and Marina and Makaha Resort tax credit and allowing any new tax credit for revitalization of the Leeward Coast to begin with a clean slate; and
- (2) Changing the effective date to July 1, 2034, to encourage further discussion of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Berg.

**SCRep. 343 Economic Development & Business Concerns on H.B. No. 1753**

The purpose of this bill is to support the operations of the high technology development corporation and the high technology innovation corporation.

Specifically, this bill:

- (1) Continues current funding levels for the Hawaii small business innovation research grant program and the Hawaii small business technology transfer program;
- (2) Clarifies that the high technology innovation corporation is authorized to operate bank accounts that are necessary for the conduct of its business at both in-state and out-of-state account locations, without approval from the director of finance or the comptroller;
- (3) Prohibits funding the High Technology Development Corporation's general administrative and fiscal positions with moneys from the high technology special fund;
- (4) Deletes the \$3,000,000 ceiling on moneys in the high technology special fund; and
- (5) Appropriates general funds to pay for the general administrative and fiscal positions of the high technology development corporation.

Testimony in support of this bill was submitted by the High Technology Development Corporation, Oceanit, Technical Research Associates, Inc., ATCO Software Inc., Archinoetics, LLC, Hawaii Science and Technology Council, Hawaii Aquaculture Association, Ambient Micro, LLC, Panthera Biopharma, LLC, and Neptune Technologies, Inc.

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

- (1) Restoring the cap on the high technology special fund but deleting the stated cap amount of \$3,000,000 and replacing it with an unspecified amount;
- (2) Changing the effective date to July 1, 2034 to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and drafting convention.

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. 1753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1753, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 344 Economic Development & Business Concerns on H.B. No. 1755**

The purpose of this bill is to clarify the applicability of the reduced general excise tax (GET) rate of 0.5 percent for business-to-business services by providing that the reduced rate applies to dealers who furnish goods or services to the purchaser of tangible personal property to fulfill the manufacturer's warranty obligation.

The Hawaii Automobile Dealers' Association supported this bill. The Department of Taxation (DoTax) commented.

Your Committee finds that to reduce the effects of pyramiding of the GET on business and consumers, the Legislature reduced the GET on business-to-business services to 0.5 percent as of January 1, 2006. This bill will dispel any confusion with regard to the rate of taxation of warranty service work performed on behalf of the manufacturer of tangible property.

Your Committee respectfully requests the Committee on Finance to evaluate the financial impact of this bill on tax revenues, which DoTax estimates will be reduced by approximately \$2,800,000 per year. Your Committee has changed the bill's effective date to July 1, 2034, to allow for further discussion of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1755, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 345 Economic Development & Business Concerns on H.B. No. 1854**

The purpose of this measure is to provide new markets tax credits to encourage investments in business and economic development in low-income communities.

Your Committee received favorable testimony from a local practitioner. The Department of Taxation offered comments, while the Department of Business, Economic Development, and Tourism submitted comments and deferred their position on the measure to the Department of Taxation.

Your Committee finds that the new markets tax credit proposed in this bill mirrors the federal tax credit which attracts capital investment in low-income areas to finance community development projects, stimulate the economy, and to create new jobs.

Your Committee has amended the measure by changing the effective date to July 1, 2034 to encourage further discussion.



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. 1854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1854, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 346 Economic Development & Business Concerns on H.B. No. 1879**

The purpose of this bill is to authorize the Director of Finance to invest up to ten per cent of the State's short-term investment moneys in linked investments.

Specifically, this measure authorizes the Director of Finance to invest in certificates of deposit with a lending institution at an interest rate of not more than two per cent below current market rates. The lending institution then makes loans based on the deposit at a rate of not more than the prime rate or seven and one-half per cent, whichever is less to eligible entrepreneurs or business enterprises.

Your Committee received testimony from the Department of Budget and Finance who expressed concerns with the measure.

Your Committee finds that the State's short-term investment moneys are moneys that are in excess of the amounts necessary for meeting the immediate requirements of the State and that their use in short-term investments will not impede or hamper the necessary financial operations of the State. This measure will authorize the State to use its excess funds to promote the growth of eligible private enterprises in the State by enabling these businesses to obtain loans at below-market rates.

Your Committee has amended this measure by changing the effective date from July 1, 2007 to July 1, 2034 to promote continued discussion on this matter.

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. 1879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1879, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 347 Economic Development & Business Concerns on H.B. No. 861**

The purpose of this bill is to ensure that the prevailing wage is paid to workers at private construction projects funded by special purpose revenue bonds (SPRBs) by:

- (1) Requiring that the Director of Budget and Finance report to the Department of Labor and Industrial Relations (DLIR) on any issuances of SPRBs for private projects that fall within the definition of "public works project" in the prevailing wage law but are not directly caused by a governmental contracting agency; and
- (2) Requiring DLIR to serve as the governmental contracting agency and enforce the prevailing wage law for these private projects.

The International Brotherhood of Electrical Workers Local Union 1186, Ironworkers Union Local 625, and Hawaii State AFL-CIO submitted testimony in support of this bill. The Department of Budget and Finance and Department of Labor and Industrial Relations opposed the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 861 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg and Brower. (Representatives Ching and Marumoto voted no.)

**SCRep. 348 Economic Development & Business Concerns on H.B. No. 1081**

The purpose of this bill is to strengthen State enforcement of the prevailing wage law by allowing a joint labor-management committee to bring civil actions against employers who fail to pay the prevailing wage to employees.

The Hawaii Carpenters Union supported this bill. The Department of Labor and Industrial Relations commented.

Your Committee finds that under current law, an aggrieved laborer or mechanic, or their representative, can bring an action to recover unpaid wages under the prevailing wage law. This bill would also allow national labor-management committees to bring actions against any contractor that is subject to the prevailing wage law.

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. 1081 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg and Brower. (Representatives Ching and Marumoto voted no.)

**SCRep. 349 Public Safety & Military Affairs on H.B. No. 618**

The purpose of this bill is to establish a special fund to reimburse members of the Hawaii National Guard and federal military reserves for the cost of qualifying premiums under the federally created service members' group life insurance program.

Your Committee received testimony in support of the measure from the Department of Defense, the Hawaii National Guard Association, the National Guard Association of Hawaii Insurance Trust, the Hawaii National Guard Enlisted Association, and The Chamber of Commerce of Hawaii. Your Committee received comments on the measure from the Department of Budget and Finance.

Your Committee finds that insurance premium reimbursements from the Sergeant Deyson Cariaga service members' life insurance reimbursement special fund will provide incentives to the Hawaii National Guard or federal military reserve members to continue service even after their return from active duty in a war zone. Your Committee further finds that retaining trained personnel will maintain the readiness capability of the Hawaii National Guard and the federal military reserves.

Your Committee has amended this measure by appropriating general funds into the special fund, and by making an appropriation out of the special fund for the purposes of the measure. Your Committee has also amended this bill by changing the effective date from July 1, 2006 to July 1, 2015 in order to promote continued 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. 618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 618, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 350 Consumer Protection & Commerce on H.B. No. 522**

The purpose of this bill is to effectuate its title.

H.B. No. 522 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. 522, 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. 522, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Morita, Yamane, Yamashita and Thielen.

**SCRep. 351 Agriculture on H.B. No. 693**

The purpose of this bill is to effectuate its title.

House Bill No. 693 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 Agriculture that is attached to this report, your Committee is in accord with the action to report out H.B. No. 693, as amended herein, and recommends that it be recommitted to the Committee on Agriculture, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 693, H.D. 1.

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

**SCRep. 352 Energy & Environmental Protection on H.B. No. 646**

The purpose of this bill is to effectuate its title.

H.B. No. 646 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the action to report out H.B. No. 646, as amended herein, and recommends that it be recommitted to the Committee on Energy & Environmental Protection, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 646, H.D. 1.

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

**SCRep. 353 Education on H.B. No. 1504**

The purpose of this bill is to improve the quality of education for blind persons by:

- (1) Assuring that the individualized education program of each blind or visually impaired child includes provisions for instruction in braille and the use of braille appropriate to the child's current and future literacy needs;
- (2) Establishing standards of proficiency and instruction;
- (3) Requiring publishers of educational textbooks sold to the State to provide electronic versions in braille; and
- (4) Requiring teachers certified in the education of blind and visually impaired children to be competent in reading and writing braille, as part of the teachers' certification and renewal process.

The Disability and Communication Access Board testified in support of this bill. The Department of Education did not support this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the Hawaii Teacher Standards Board, rather than DOE, is responsible for issuing licenses to teach the visually impaired; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1504, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Takamine.

**SCRep. 354 Higher Education/Education on H.B. No. 1014**

The purpose of this bill is to improve the recruitment and retention of qualified teachers for Hawaii's public schools by, among other things:

- (1) Changing the membership and reporting schedule of the Performance Standards Commission;
- (2) Removing the reference to the No Child Left Behind Act of 2001 and the grades currently being tested, in anticipation of possible changes to the federal law;

- (3) Providing for alternative assessments, including those based on the academic growth of students;
- (4) Clarifying the dual purposes of the Hawaii Educator Loan Program;
- (5) Appropriating funds to the Hawaii Educational Policy Center to:
  - (A) Staff the Performance Standards Commission;
  - (B) Work with the Department of Education (DOE) and other educational research organizations to develop alternative assessment tools, including a comprehensive "growth model" to measure student achievement over time; and
  - (C) Provide independent comment and analysis on issues before the Legislature, Board of Education, and DOE;
- (6) Appropriating funds for various programs to:
  - (A) Increase the capacity of the University of Hawaii (UH) College of Education to educate qualified teachers;
  - (B) Meet federal requirements for institutional support of disability studies; and
  - (C) Expand teacher professional development and mentoring;
 and
- (7) Appropriating funds for the Office of School Redesign.

The UH Office of School Redesign and a concerned individual testified in support of this bill. DOE and UH supported the intent of this measure. A concerned individual opposed this bill. The Hawaii Teacher Standards Board offered comments.

Your Committees have amended this bill by:

- (1) Removing the change in percentage of the total amount of the loan and interest waived, and the number of years that the waiver shall occur, under the Hawaii Educator Loan Program;
- (2) Deleting the appropriations for the Hawaii Educator Loan Program; 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 Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1014, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1014, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 355      Tourism & Culture/Economic Development & Business Concerns on H.B. No. 572**

The purpose of this bill is to improve structures used to house our visitors by requiring each county, within twelve months of the effective date of this bill, to adopt ordinances requiring that the development, redevelopment, renovation, or modification of any structure containing transient accommodations be developed, redeveloped, renovated, or modified in accordance with the latest edition of the International Building Code as published by the International Code Council.

The Hawaii Hotel & Lodging Association did not support this bill. Outrigger Hotels & Resorts submitted comments on this measure.

Your Committees find that the provisions contained in this measure help to better prepare our transient accommodation facilities in the event of a natural disaster or other emergency.

Your Committees have amended this measure by:

- (1) Changing the period of time within which the counties must adopt the ordinances to an unspecified length of time to encourage further discussion;
- (2) Changing its effective date to January 1, 2025, to encourage further discussion; 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 Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 572, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 572, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 356      Tourism & Culture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 659**

The purpose of this bill is to formally recognize the importance of kalo (taro) to the cultural heritage of Hawaii by designating kalo as the official plant of the State.

The Association of Hawaiian Civic Clubs, Pearl Harbor Hawaiian Civic Club, Hawaiian Civic Club of Hilo, and numerous concerned individuals supported this bill.

Your Committees have amended this measure by:

- (1) Changing its effective date to January 1, 2025, 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 Tourism & Culture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 659, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 659, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Sagum, Ching and Thielen.

**SCRep. 357 Tourism & Culture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 567**

The purpose of this bill is to encourage safe motor sports recreation by requiring the Department of Accounting and General Services to conduct a study to determine the cost of developing an all-purpose motor sports facility in the state, including acquisition of land; construction; and the costs of startup, maintenance, and operation.

Save Oahu's Race Tracks and several concerned individuals supported this bill. Several concerned individuals supported the intent of this measure.

Your Committees recognize that the existing racetrack on Oahu has been closed since April 2006. The cost study contained in this measure represents an appropriate first step in initiating the process of developing an all-purpose motor sports facility on Oahu.

Your Committees have amended this measure by:

- (1) Clarifying that the study focus on an all-purpose motor sports facility located on Oahu instead of in an unspecified location in the state;
- (2) Changing its effective date to January 1, 2025, to encourage further discussion; 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 Tourism & Culture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 567, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 567, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Sagum, Ching and Thielen.

**SCRep. 358 Health/Human Services & Housing on H.B. No. 1471**

The purpose of this bill is to ensure that the community health care system in Hawaii remains financially viable as the uninsured and underinsured populations continue to grow.

Specifically, this bill:

- (1) Establishes procedures within the Department of Human Services for reconciliation of payments to federally qualified health centers and rural health centers in the State;
- (2) Allows for adjustment of prospective payment system rates for any adjustment in scope of services furnished by federally qualified health centers or rural health centers;
- (3) Makes eligible for prospective payment system reimbursement certain designated services, including visits, provided by federally qualified health centers or rural health centers;
- (4) Sets a deadline for filing reports for final settlement under the procedures for reconciliation of payments;
- (5) Sets a deadline for federally qualified health centers and rural health centers to submit prospective payment system rate adjustment requests; and
- (6) Requires the Department of Health to provide certain designated resources to nonprofit, community-based health care providers for direct medical care for the uninsured and appropriates an unspecified amount for fiscal year 2007-2008 to the Department of Health to provide this direct medical care.

Testimony in support of this bill was submitted by the Waianae Coast Comprehensive Health Center, Hawaii Psychiatric Medical Association, Hawaii Primary Care Association, Hoola Lahui Hawaii, and Waikiki Health Center. The Department of Human Services agreed with the intent of the bill but expressed the opinion that it is unnecessary. The Department of Health commented.

Your Committees find that federally qualified health centers and rural health centers represent the best system of community-based primary care for people who are uninsured, underinsured, or who are medicaid recipients. However, over the years, the ever evolving nature and complexity of services provided, the inadequate procedures by which medicaid payment and changes in the scope of services provided are addressed, and the lack of adequate funding to pay for services for the uninsured have placed a great strain on federally qualified health centers and rural health centers.

Your Committees believe that this bill adequately addresses each of these issues and will ensure that federally qualified health centers and rural health centers in the State will remain financially viable and stable.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1471 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, Shimabukuro and Takai.

**SCRep. 359 Energy & Environmental Protection on H.B. No. 1787**

The purpose of this measure is to improve the application of energy efficiency performance contracts by state agencies.

More specifically, this measure replaces the definition of "energy-savings performance contract" with "energy performance contract"; extends the maximum term of an energy performance contract from fifteen to twenty years; and allows the state procurement officer to exempt a state energy project from advertising and competitive bidding arrangements.

The Department of Business, Economic Development, and Tourism, Honolulu Seawater Air Conditioning, LLC, and the Hawaii Energy Policy Forum submitted testimony in support of this measure.

The State Procurement Office and the Department of Accounting and General Services submitted comments recommending an amendment to make the language for the exemption of energy project procurements clearer.

Accordingly, your Committee has amended this measure to make it consistent with existing provisions of the state procurement code and allow the Director of Finance and the Comptroller to approve alterations of energy-savings contracting.

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. 1787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1787, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 360 Consumer Protection & Commerce on H.B. No. 90**

The purpose of this bill is to enhance the monitoring of the insurance marketplace by adopting the National Conference of Insurance Legislators Market Conduct Surveillance Model Law, which establishes a framework for the Insurance Commissioner to conduct market conduct examinations of domestic and foreign insurers.

The American Council of Life Insurers testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. State Farm Insurance Companies and a concerned individual submitted comments.

A market conduct examination is a review of an insurer's marketplace practices. Your Committee finds that this bill implements procedures for the Insurance Commissioner to conduct comprehensive and targeted market conduct examinations of an insurer's operations to evaluate compliance with applicable state laws.

Your Committee has amended this measure by:

- (1) Requiring the Insurance Commissioner to use market analysis and market conduct examination procedures that are substantially similar to the National Association of Insurance Commissioners' (NAIC) guidelines, rather than procedures that are substantially similar to those in specific NAIC handbooks;
- (2) Applying the Market Conduct Surveillance Law to mutual benefit societies; and
- (3) 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 H.B. No. 90, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 90, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 361 Consumer Protection & Commerce on H.B. No. 93**

The purpose of this bill is to promote the safety of users of buildings and facilities throughout the state by providing for a statewide building code and design standards.

The Department of Defense; Structural Engineers Association of Hawaii; American Institute of Architects, Hawaii State Council; and Honolulu Seawater Air Conditioning, LLC, testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu supported this measure with revisions. The Honolulu Fire Department and State Fire Council supported the intent of this bill. Plumbers and Fitters Local 675 opposed this measure. The Department of Accounting and General Services (DAGS) submitted comments.

The counties currently adopt building codes on independent schedules, resulting in the simultaneous use of several archaic building codes in Hawaii. These older code provisions may not include improvements to implement disaster-resistant building construction standards. Your Committee finds that a coordinated process to bring the various building codes into compliance with updated standards will improve public safety and promote efficiency in the construction industry.

Your Committee has amended this measure by:

- (1) Deleting the bill's preamble, which is already stated in another section of this bill;
- (2) Defining "state building code" to mean the uniform statewide model building code;
- (3) Clarifying that the state building code would apply to all construction in the state;
- (4) Requiring the state building code to include the latest edition of the Uniform Plumbing Code, as copyrighted and published by the International Association of Plumbing and Mechanical Officials, including its appendices;
- (5) Requiring the state building code to include design standards for emergency shelters capable of withstanding storms and natural hazards in addition to a five-hundred-year hurricane event;
- (6) Specifying that DAGS is required to adopt a temporary building code for state building construction;
- (7) Requiring the State Building Code Council (Council) member from the Department of Labor and Industrial Relations to have significant experience in elevator or fire safety;
- (8) Amending the provision setting forth the Council's membership to correct a reference to the American Institute of Architects' Hawaii State Council;
- (9) Providing that the executive director and executive assistant of the Council are not subject to the civil service law;
- (10) Prohibiting state building code provisions that conflict with Chapter 464, Hawaii Revised Statutes (HRS), relating to the licensure of professional engineers, architects, surveyors, and landscape architects;
- (11) Exempting state building construction, following the adoption of the state building code, from:
  - (A) Building codes of counties that have not adopted the state building code;
  - (B) County amendments to the state building code that are inconsistent with the objectives of the state building code; and
  - (C) County amendments to the state building code that are contrary to those adopted by another county;

- (12) Exempting from the state building code, county ordinances allowing the exercise of indigenous Hawaiian architecture pursuant to section 46-1.55, HRS;
- (13) Specifying that DAGS is the expending agency for the appropriation to fund the operations of the Council;
- (14) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (15) 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 H.B. No. 93, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 93, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, McKelvey and Souki.

**SCRep. 362 Consumer Protection & Commerce on H.B. No. 1087**

The purpose of this bill is to clarify the applicability of the condominium management alternative dispute resolution process established under Act 277, Session Laws of Hawaii 2006 (Act 277).

The Hawaii Council of Associations of Apartment Owners and Hawaii Independent Condominium and Cooperative Owners testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) supported the intent of this measure.

Act 277 provides an alternative dispute resolution hearing procedure for condominium disputes. However, the hearing procedure was not codified because it is scheduled to be repealed on June 30, 2009. DCCA has concluded that because the hearing procedure was not specifically codified in part VI of chapter 514B, Hawaii Revised Statutes, relating to management of condominiums, there is uncertainty as to whether the hearing procedure applies to condominiums created before July 1, 2006. This bill amends Act 277 to clarify that the hearing procedure applies to condominiums created before July 1, 2006.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 29, 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1087, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Green, Morita and Sonson.

**SCRep. 363 Human Services & Housing/Health on H.B. No. 834**

The purpose of this bill is to facilitate and sustain operational growth for the businesses of adult residential care home operators, group child care home operators, group child care center operators, developmental disabilities domiciliary home operators, community care foster family home operators, and adult foster home operators by freeing up capital for these operators through a general excise tax exemption for income received from the State for services provided by these operators.

The Hawaii Coalition of Care Home Administrators testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 834 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 364 Human Services & Housing/Health on H.B. No. 360**

The purpose of this bill is to increase the Medicaid reimbursement rate by basing the fee schedule on the 2006 Medicare Fee Schedule and appropriating funds for the increase.

The Healthcare Association of Hawaii and Hawaii Medical Association testified in support of this bill. The Department of Human Services provided comments.

Your Committees have amended this bill by 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 & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 360, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 360, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 365 Human Services & Housing/Health on H.B. No. 1044**

The purpose of this bill is to allow QUEST patients equal access to immunosuppressants by deleting a provision that excluded QUEST medical plans.

The Department of Human Services, Hawaii Disability Rights Center, Life Foundation, and several concerned individuals testified in support of this bill. The Hawaii Medical Service Association opposed this measure.

Your Committees have amended this bill by:

- (1) Requiring an economic impact assessment on the effects of this measure in the 2010, 2011, and 2012 regular sessions;
- (2) Repealing this measure on July 1, 2013; 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 & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1044, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1044, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 366 Human Services & Housing/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 185**

The purpose of this bill is to determine cost drivers of housing by establishing a demonstration project in Waianae on Oahu and South Kohala on Hawaii Island.

The Office of Hawaiian Affairs supported the intent of this bill. The Hawaii Housing Finance and Development Corporation provided comments.

Your Committees have amended this bill by:

- (1) Deleting the provisions that would have exempted environmental assessments, environmental impact statements, and building permits; 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 & Housing and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 185, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 185, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Morita, Saiki, Awana and Thielen.

**SCRep. 367 Human Services & Housing on H.B. No. 1007**

The purpose of this bill is to assist households that receive low-income housing assistance in achieving homeownership by exempting their family self-sufficiency escrow accounts from asset tests used to determine eligibility for public benefit programs administered by the Department of Human Services (DHS).

DHS supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1007 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 368 Human Services & Housing on H.B. No. 710**

The purpose of this bill is to provide more low-income households with rent relief by raising the qualifying annual income level for the low-income household renters' tax credit from \$30,000 to \$40,000 per year.

Two concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 710 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 369 Human Services & Housing on H.B. No. 709**

The purpose of this bill is to assist the elderly living on fixed incomes by establishing the Elderly Housing Renovation Revolving Loan Fund (Loan Fund) to provide low-interest loans to elderly homeowners for home renovations.

The Hawaii Housing Finance and Development Corporation (HHFDC) provided comments.

Your Committee has amended this bill by:

- (1) Authorizing HHFDC to use the funds in the Loan Fund, instead of only the interest, to administer the Loan Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 709, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 370 Human Services & Housing on H.B. No. 948**

The purpose of this bill is to encourage the development of affordable housing units by:

- (1) Exempting the development of affordable housing units from the general excise tax (GET);
- (2) Requiring that county members of the Board of Directors of the Hawaii Housing Finance and Development Corporation (HHFDC) be appointed from a list of nominees submitted by the continuum of care system of each county;
- (3) Specifying that HHFDC may approve and certify GET exemptions for persons or firms involved in the planning, design, financing, construction, or marketing of a proposed newly constructed or rehabilitated project;
- (4) Clarifying the conditions under which HHFDC can develop, sell, or rent housing projects;
- (5) Stipulating that at least five percent of housing units developed with moneys from the Rental Housing Trust Fund (Fund) be reserved for persons or households with incomes at or below 30 percent of the median income;
- (6) Clarifying the eligible applicants and eligible activities for assistance from the Fund; and

- (7) Requiring projects eligible for assistance from the Fund to produce certain categories of housing units.

Hawaii Reserves Inc. and Brigham Young University Hawaii, testified in support of this bill. Department of Taxation, HFDC, the Chair and Vice Chair of the Maui County Council commented on this measure.

Hawaii is currently experiencing an affordable housing crisis. Providing exemptions from the GET and streamlining the review and approval process for affordable housing units are ideas that will help in the development of affordable housing units for Hawaii's people.

However, your Committee understands the many concerns regarding jurisdiction and conflicting issues regarding the methods used by this measure to streamline the review and approval process. Accordingly, your Committee has amended this measure by deleting language that:

- (1) Established requirements for the appointment of county members of the Board of Directors of HHFDC;
- (2) Clarified the conditions under which HHFDC can develop, sell, or rent housing projects;
- (3) Required at least five percent of housing units developed with moneys from the Fund to be reserved for persons with certain income levels;
- (4) Clarified the eligible applicants and eligible activities for assistance from the Fund; and
- (5) Required projects eligible for assistance from the Fund to produce certain categories of housing units.

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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 948, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 371 Human Services & Housing on H.B. No. 1839**

The purpose of this bill is to enable the Child Support Enforcement Agency to better enforce child support enforcement agreements by appropriating unspecified funds to hire additional staff.

The 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1839 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 372 Human Services & Housing on H.B. No. 1950**

The purpose of this bill is to amend the provisions of the housing law that exempts certain types of government housing projects from planning, zoning, and construction standards by increasing, from forty-five days to ninety days, the window for:

- (1) County legislative body project approvals and disapprovals; and
- (2) Land Use Commission land use boundary approvals and disapprovals.

This bill also inserts a provision allowing county legislative bodies to approve a project with or without modifications. This provision was inadvertently dropped when the 2006 Legislature recodified chapter 201G, Hawaii Revised Statutes (HRS), as chapter 201H, HRS.

The Maui County Council and two Maui Council members testified in support of this bill. The Hawaii Housing Finance and Development Corporation and the Department of Community Services of the City and County of Honolulu opposed this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1950 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 373 Energy & Environmental Protection on H.B. No. 506**

The purpose of this bill is to extend the tax credit for a qualifying ethanol production facility from 2012 to 2017.

Alexander & Baldwin, Inc. submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism and the Department of Taxation offered comments.

Currently, a taxpayer is entitled to a tax credit if the taxpayer's qualifying ethanol production facility is in production by January 1, 2012. Your Committee finds that an extension of the tax credit to January 1, 2017 for qualified ethanol production facilities supports alternative energy resources and reduces the State's dependence on fossil fuels.

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

Signed by all members of the Committee except Representative Saiki.

**SCRep. 374 Energy & Environmental Protection on H.B. No. 791**

The purpose of this measure is to require gasoline dealers to make non-ethanol gasoline available to purchasers for use in marine vessels and small engines.

The County of Hawaii submitted comments on the measure. Six individuals submitted testimony in support of this measure.



Your Committee finds that section 486J-10, Hawaii Revised Statutes, requires the Director of Business, Economic Development and Tourism to establish rules that require an ethanol content of ten percent for gasoline sold in the State for use in motor vehicles. Your Committee received multiple testimony that suggests that ethanol-enriched gasoline, while appropriate for use in motor vehicles, may be damaging to marine engines and small-tool engines. However, as "motor vehicles" does not include vessels, watercraft, or small engines, there is nothing in the plain language of this statute to prevent the sale of non-ethanol gasoline for use in these applications. Your Committee also finds that the Department of Business, Economic Development, and Tourism already has the authority under section 486J-10(d)(2), Hawaii Revised Statutes, to allow sale of gasoline that does not meet the ten percent ethanol requirement.

In light of this information, your Committee is curious to learn whether non-blended gasoline is available to the public and users in the marine and small engine markets. If this product is not available, and barring any other restrictions, the Committee wishes to understand why dealers are not making non-blended gasoline available to these markets.

Your Committee notes that testimony from the Department of Business, Economic Development, and Tourism would be helpful in clarifying some of the issues presented by this proposed measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 791 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. 375 Agriculture on H.B. No. 1628**

The purpose of this bill is to ensure that consumers are provided accurate labeling with respect to macadamia nut products by requiring consumer packages with labels representing that a portion of the macadamia nuts were grown in Hawaii to specify the percentage of Hawaiian-grown macadamia nuts.

The Department of Agriculture supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 376 Agriculture on H.B. No. 1616**

The purpose of this bill is to position Hawaii as a continuing leader in commercial aquaculture by appropriating funds to develop the concept of, and conduct a feasibility study for, the establishment of a primary quarantine and laboratory facility for aquatic species used in Hawaii's aquaculture industry.

Molokai Sea Farms, Rain Garden Ornaments, Hawaii Aquaculture Association, and a concerned individual supported this bill. The Department of Agriculture and several concerned individuals supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1616 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 377 Agriculture on H.B. No. 1219**

The purpose of this bill is to provide farmers with enhanced financial support by increasing the ceiling on agricultural and aquacultural loans that may be approved by the Chairperson of the Board of Agriculture from \$25,000 to \$75,000.

The Department of Agriculture, Maui County Farm Bureau, Hawaii Aquaculture Association, Hawaii Agriculture Research Center, Aloun Farms, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1219 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 378 Agriculture on H.B. No. 337**

The purpose of this bill is to preserve agricultural lands on Oahu by authorizing the Agribusiness Development Corporation (ADC) to purchase, via general funds or revenue bonds, agricultural lands located in the Kunia area on Oahu and owned by the Campbell Estate. In addition, this bill provides additional flexibility to ADC by allowing ADC to:

- (1) Purchase, accept, and maintain permanent conservation easements in accordance with the Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (2) When leasing ADC controlled agricultural land, contract with a financial institution that is transacting business in this State to provide lease management service.

The University of Hawaii, Department of Planning and Permitting of the City and County of Honolulu, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, Hawaii Agriculture Research Center, and the Hawaii Crop Improvement Association supported this bill. ADC supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting the reference to lands owned by the Campbell Estate;
- (2) Clarifying that the ADC is authorized to purchase agricultural lands located in Kunia or Ewa, or both, instead of Kunia solely; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 337, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 379 Agriculture on H.B. No. 401**

The purpose of this bill is to provide loan incentives for projects on important agricultural land by authorizing the Director of Finance to guarantee loans, made by commercial lenders authorized to do business in the state, to agricultural producers for the development and implementation of agricultural projects.

The Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, and Maui County Farm Bureau supported this bill. The Department of Agriculture and the Hawaii Farm Bureau Federation supported this bill with amendments. The Department of Budget and Finance supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Establishing a cap of \$2,500,000 for each loan;
- (2) Reducing the maximum amount of the loan guaranty from 100 percent to 85 percent; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 401, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 380 Agriculture on H.B. No. 404**

The purpose of this bill is to support diversified agriculture in Hawaii by appropriating funds for agricultural research and development conducted by the Hawaii Farm Bureau Federation (HFBF).

The University of Hawaii, HFBF, Maui County Farm Bureau, Kauai County Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Hawaii Agriculture Research Center, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, and the Hawaii Coffee Association supported this bill. The Department of Agriculture supported the intent of this measure. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation is for a grant, pursuant to the provisions of Chapter 42F, Hawaii Revised Statutes, for the HFBF; 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. 404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 404, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 381 Agriculture on H.B. No. 406**

The purpose of this bill is to revise the requirements for landowners who wish to apply for funding assistance from the Irrigation Repair and Maintenance Special Fund by:

- (1) Repealing the existing requirement that the landowner agree to file a petition for declaratory ruling designating a majority of all land served by the irrigation system as important agricultural land;
- (2) Requiring that the landowner dedicate lands to be served by the irrigation system to agricultural use for no fewer than ten years pursuant to county ordinance; and
- (3) Clarifying that the landowner must agree to actively use, or provide for the active use of, all lands for agricultural production if those lands continue to be owned or controlled by the landowner.

The Hawaii Farm Bureau Federation and the Hawaii Crop Improvement Association supported this bill. The Department of Agriculture opposed this bill. The Economic Development Alliance of Hawaii and Hawi Agricultural and Energy Corporation submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 406, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 406, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 382 International Affairs/Economic Development & Business Concerns on H.B. No. 30**

The purpose of this bill is to protect Hawaii's interests in international trade agreements by:

- (1) Requiring legislative consent prior to binding the State to an international trade agreement;
- (2) Creating legislative points of contact to serve as liaisons between the Legislature, the Governor, and the federal government on trade-related matters;
- (3) Creating an Office of Trade Enforcement to monitor, analyze, and assess trade; and
- (4) Creating a Citizens' Commission on Globalization to make policy recommendations to the Governor, the Legislature, members of Hawaii's Congressional delegation, and the United States trade negotiators.

Public Citizen and the Hawaii Government Employees Association testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of the measure. The Department of the Attorney General submitted comments.

Your Committees have amended this bill by deleting its contents and replacing it with language that:

- (1) Establishes the Committee to Consider International Trade Agreement Approvals (Committee); and
- (2) Prohibits the Governor from entering into any trade agreement without approval of:
  - (A) The Legislature through concurrent resolution adopted by a majority vote of the Senate and House of Representatives; or
  - (B) The Committee, when the Legislature is not in session.

As affirmed by the records of votes of the members of your Committees on International Affairs and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 30, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 30, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Green, Hanohano, Manahan, Mizuno, Shimabukuro, Yamane and Ching. Representatives Marumoto and Ward voted no.)

**SCRep. 383 Economic Development & Business Concerns on H.B. No. 1229**

The purpose of the measure is to formally reenact the substantive provisions of Act 292, Session Laws of Hawaii 2000, which established the Access Hawaii Committee to oversee the management of the State's internet portal to expand access to information and government services over the Internet.

The Department of Commerce and Consumer Affairs, Department of Accounting and General Services, State Procurement Office, and the County of Kauai submitted testimony in support of this measure. The Judiciary submitted comments on this measure.

Your Committee finds the original sunset date for the Access Hawaii Committee was 2003, and that the sunset date was extended to 2005. Since 2005, however, the Access Hawaii Committee has ceased to exist, but committee members have continued to meet informally. Your Committee further finds that it is to the benefit of the residents of Hawaii to reestablish and continue the committee permanently. This will allow the Access Hawaii Committee to continue to oversee the State's portal manager to ensure that the State's internet resources are available on a regular basis to individuals and businesses.

Your Committee has amended this measure by changing the effective date to July 1, 2034, in order to facilitate further discussion.

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. 1229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1229, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 384 Judiciary on H.B. No. 326**

The purpose of this bill is to ensure the safety and well-being of our children by creating a two-year statewide task force to review, assess, and make recommendations on the State's system responses to cases of child sexual assault and exploitation.

The Honolulu Police Department, Catholic Charities Hawaii, Child and Family Service, Hawaii Family Forum, and Roman Catholic Church in the State of Hawaii testified in support of this bill. The Children's Justice Center of the Judiciary and Department of Human Services supported the intent of this measure.

Your Committee has amended this bill by making technical and 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. 326, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 326, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey, Souki and Pine.

**SCRep. 385 Judiciary on H.B. No. 1614**

The purpose of this bill is to appropriate funds for continued enforcement and prosecution of the drug nuisance abatement law.

The Department of the Attorney General (Attorney General) testified in support of this bill.

Funding the Drug Nuisance Abatement Unit of the Attorney General provides for the effective enforcement and prosecution of the nuisance abatement law related to the distribution or manufacture of drugs. However, your Committee notes that, according to the Attorney General, additional personnel will be needed to effectively enforce this law. Accordingly, your Committee has amended this measure by:

- (1) Specifying that the appropriations may be used to hire an undetermined number of personnel for the Drug Nuisance Abatement Unit; 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. 1614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1614, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 386 Judiciary on H.B. No. 1618**

The purpose of this bill is to establish a pilot project to develop and evaluate a program for the acquisition, placement, operation, and maintenance of video surveillance cameras for the purpose of deterring property damage offenses, especially graffiti, and prosecuting offenders.

A concerned individual testified in support of this bill. The American Civil Liberties Union of Hawaii opposed this measure.

Although surveillance technology placed in public areas may have a potential for crime control, there is also a potential for governmental abuse and invasion of privacy. Your Committee finds that there should be further discussion on the use of video surveillance systems to control graffiti.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, 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. 1618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1618, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 387 Finance on S.B. No. 25**

The purpose of this bill is to appropriate funds to provide for the expenses of the Legislature and its service agencies.

More specifically, this measure provides for the expenses of the Legislature, Office of the Auditor (Auditor), Hawaii State Ethics Commission (Ethics Commission), Office of the Ombudsman (Ombudsman), Legislative Reference Bureau (LRB), and legislative broadcast program.

The Auditor, Ethics Commission, LRB, and Ombudsman testified in support of this bill.

Your Committee notes that Act 1, Session Laws of Hawaii 2004, provided the Auditor with the resources and tools necessary to increase transparency and accountability in state government. The Audit Revolving Fund (Revolving Fund) was created within the Office of the Auditor, and \$3,013,125 in general funds was transferred to it from the general fund budgets of certain state departments that had been auditing themselves. In 2004, the functions transferred to the Auditor included:

- (1) The comprehensive annual financial report of the State; and
- (2) The financial statement and single audits of:
  - (A) The Department of Human Services, excluding the Hawaii Public Housing Authority;
  - (B) The Department of Health;
  - (C) The Department of Education; and
  - (D) The Department of Transportation (DOT), specifically:
    - (i) The administration of DOT;
    - (ii) The Oahu Metropolitan Planning Organization; and
    - (iii) The Airports, Harbors, and Highways divisions of DOT.

To continue providing transparency and accountability in state government, the resources necessary to conduct the financial statement and single audits of 11 additional state departments—\$2,456,035 in general funds—will be cut from the respective departments and transferred to the Revolving Fund. The Revolving Fund will be increased to \$5,600,438 to reflect this increase as well as allow for the reimbursement and expenditure of eligible federal funds.

Your Committee further notes that this budget:

- (1) Increases authorized expenditures for the House of Representatives and Senate by \$2,658,444 (14.2 percent); and
- (2) Increases authorized expenditures for the legislative agencies, Auditor, Ethics Commission, LRB, and Ombudsman by \$2,790,045 (30.1 percent).

Altogether, the total budget for the legislative branch will increase by \$5,448,489 (19.5 percent).

A similar measure, S.B. No. 638, S.D. 1, had earlier passed the Legislature and was sent to the Governor. However, the bill was returned by the Governor, because the bill did not contain the constitutionally and statutorily mandated declaration that the general fund expenditure ceiling would be exceeded. This bill contains the required declaration.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 25, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 388 Consumer Protection & Commerce on H.B. No. 776**

The purpose of this bill is to protect consumers in credit card transactions by requiring ticket brokers to disclose beforehand that a fee will be charged when the consumer uses a credit card to purchase tickets.

A concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that this bill seeks to ensure that ticket buyers making a credit card purchase will be made aware of all related fees prior to the completion of the transaction.

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. 776 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 Green, Morita and Sonson.

**SCRep. 389 Consumer Protection & Commerce on H.B. No. 1626**

The purpose of this bill is to assist condominium associations in collecting delinquent maintenance fees by making permanent the law allowing condominium associations to assess delinquent maintenance fees against a person who, in a foreclosure proceeding, purchases an apartment to which the fees are attached.

The Real Estate Commission, Hawaii Legislative Action Committee of the Community Associations Institute, Outrigger Hotels Hawaii, Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Poipu Kapili AOA, Kahala at Poipu Kai AOA, Nihai Kai Villas AOA, Sunset Kahili AOA, Makenui AOA, Manualoha AOA, Regency AOA, Poipu Sands AOA, and numerous concerned individuals testified in support of this bill. The Hawaii Bankers Association submitted comments.

Your Committee finds that section 514B-146(g), Hawaii Revised Statutes, includes a temporary provision allowing a condominium association to recover up to \$1,800 of the last six months of delinquent maintenance fees from the purchaser of a delinquent apartment in a foreclosure sale, or subsequent purchaser. This bill removes the provision's sunset date of December 31, 2007.

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. 1626 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 Green, Morita and Sonson.

**SCRep. 390 Judiciary on H.B. No. 1204**

The purpose of this bill is to prevent identity theft by eliminating the requirement that arrest citations contain an offender's full social security number. This measure also authorizes the verification of an arrest citation or traffic crime complaint by declaration in accordance with the rules of court.

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 H.B. No. 1204 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 Souki.

**SCRep. 391 Judiciary on H.B. No. 1213**

The purpose of this bill is to recognize the key role that court interpreters play in the judicial process by exempting them from prosecution for expired meter parking violations when their presence is requested by the court.

The Judiciary and a concerned individual testified in support of this bill.

Currently, witnesses who are summoned or subpoenaed to appear in court are exempt from prosecution for expired parking meter violations. However, because court interpreters are not officially summoned or subpoenaed to appear in court, they do not qualify for the exemption even though they are asked to appear. This bill provides court interpreters with the same exemption.

As affirmed by the record of votes of 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. 1213 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, Souki and Pine.

**SCRep. 392 Judiciary on H.B. No. 1393**

The purpose of this bill is to protect private information by prohibiting public disclosure of home addresses listed on payroll records of public works contracts.

The Office of Information Practices 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. 1393 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, Souki and Pine.

**SCRep. 393 Judiciary on H.B. No. 1248**

The purpose of this bill is to reduce the possibility that sex offenders and offenders against minors can avoid registering with the Hawaii Criminal Justice Data Center through a name change. This bill prohibits these offenders from obtaining a name change unless a court first determines that a name change request:

- (1) Is in the best interest of justice; and
- (2) Will not adversely affect public safety.

The Office of the Lieutenant Governor and the Department of the Attorney General testified in support of this bill. The American Civil Liberties Union of Hawaii opposed this measure.

Your Committee has amended this bill by changing the effective date to January 1, 2050, 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. 1248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1248, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 394 Judiciary on H.B. No. 1249**

The purpose of this bill is to preclude appeals based upon erroneous jury instructions unless the alleged error was:

- (1) Objected to when it was committed; or
- (2) Brought to the attention of the court in an appropriate manner before the jury had retired to consider its verdict.

The court may consider the alleged error if it seriously affected the fairness, integrity, or reputation of the trial and likely affected its outcome.

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

Your Committee finds that the proposed change to the right of appeal based upon erroneous jury instructions is a departure from accepted practice which entrusts the court with making correct decisions on jury instructions affecting the defendant's substantial rights. However, your Committee believes that discussion should continue on this matter.

Your Committee has amended this bill by:

- (1) Inserting a defective date of January 1, 2050; 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. 1249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1249, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 395 Judiciary on H.B. No. 1513**

The purpose of this bill is to emphasize the gravity of foul play within the elections process to candidates and voters alike by increasing the monetary fine for a person found guilty of election fraud from not less than \$100 nor more than \$1,000, to not less than \$1,000 nor more than \$5,000.

The League of Women Voters of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, 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. 1513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1513, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 396 Transportation on H.B. No. 1425**

The purpose of this bill is to improve Hawaii's highway system. Among other things, this bill:

- (1) Allows an agency with jurisdiction over a public highway to maintain that highway by public employment, contract, or purchase of service from another agency;
- (2) Allows the scheduling of nighttime highway maintenance when feasible and appropriate;
- (3) Allows jurisdiction of a public highway to be transferred by conveyance of title, executive order, or interagency agreement;
- (4) Extends the use of State Highway Fund (Fund) monies to:
  - (A) Management, operation, maintenance, and repair of bikeways within the state highway system;
  - (B) Management of highways;
  - (C) Maintenance and repair of certain highways under federal jurisdiction;
  - (D) Costs of acquisition, planning, designing, construction, and reconstruction of bikeways within the State Highway System;
  - (E) Reimbursement of general fund moneys used for interest and principal of general obligation bonds to finance bikeway projects;
  - (F) Statewide functions and programs that maintain or enhance state receipt of federal aid, improve highway safety, recruit and train state highway staff and other benefits to the highway system; and
  - (G) Compliance with terms and conditions for use of certain moneys in any highway fund trust account.
- (5) Raises the threshold over which the Director of Transportation may transfer from the State Highway Fund to the general fund, or any special fund under the Department of Transportation's (DOT) control, amounts which exceed the requirements for the ensuing 12 months for the State Highway Fund from 135 percent to 150 percent;
- (6) Establishes parameters to be used by the Director of Transportation when determining when agencies, other than DOT, can use Fund monies.
- (7) Requires any agency undertaking a federal-aid project to comply with the requirements of the Federal Highway Act;
- (8) Repeals provisions authorizing unrestricted use of Fund moneys to construct, maintain, and repair county roads;
- (9) Includes bikeways as part of the state highway system; and
- (10) Clarifies jurisdictional issues over the State Highway System.

DOT testified in support of this bill.

Many jurisdictional and management questions are, and have been, raised in regard to the State Highway System. This measure attempts to address these issues.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1425, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 397 Public Safety & Military Affairs on H.B. No. 573**

The purpose of this bill is to improve disaster preparedness effort to ensure widespread and timely communication to inform the public of dangerous situations by requiring:

- (1) Cellular telephone service providers to text message their customers in the event of a disaster; and
- (2) Biannual testing of this service in conjunction with the Department of Defense (DOD).

Several members of the deaf community supported this bill. T-Mobile USA, Inc., and Cingular Wireless opposed this measure. DOD and a concerned individual submitted comments on this bill.

Your Committee finds more needs to be done to ensure that information is provided to the greatest majority of the public as possible in the event of a disaster. Your Committee is also aware of efforts by the federal government to improve such communications through its Warning, Alert, and Response Network (WARN) Act, which provides, among other things, that the National Alert System will:

- (1) Enable any federal, state, tribal, or local government official with credentials issued by the National Alert Office to alert the public to any imminent threat that presents a significant risk of injury or death to the public;
- (2) Be coordinated with and supplement existing federal, state, tribal, and local emergency warning and alert systems;
- (3) Be flexible enough in its application to permit narrowly targeted alerts in circumstances in which only a small geographic area is exposed or potentially exposed to the threat; and
- (4) Transmit alerts across the greatest possible variety of communications technologies, including digital and analog broadcasts, cable and satellite television, satellite and terrestrial radio, wireless communications, wireline communications, and the Internet to reach the largest portion of the affected population.

Your Committee has amended this bill by changing its effective date to July 1, 2015.

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. 573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 573, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 398 Public Safety & Military Affairs on H.B. No. 292**

The purpose of this bill is to improve the emergency preparedness of the State by appropriating funds to:

- (1) Effectively equip emergency shelters to support special needs populations; and
- (2) Maintain the development of the Emergency Supply Program.

The State Council on Developmental Disabilities and Disability and Communication Access Board testified in support of this bill. The Department of Defense supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Inserting appropriations as follows:
  - (A) \$8,000,000 for fiscal year 2007-2008 and the same amount for fiscal year 2008-2009 for retrofit projects on public buildings to create additional emergency shelter spaces for residents and pets;
  - (B) \$150,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 for the continued funding of non-declared disaster activation and response;
  - (C) An undetermined amount for continuous alert staffing requirements at the state civil defense emergency operating center; and
  - (D) \$1,000,000 for fiscal year 2007-2008 and the same amount for fiscal year 2008-2009 for emergency supply caches to support disaster victims and communities that may become isolated due to natural disasters;

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 292, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 399 Public Safety & Military Affairs on H.B. No. 617**

The purpose of this bill is to improve recruitment and retention of Hawaii National Guard members by providing them with job security outside of the National Guard. Specifically, this bill establishes a refundable income tax credit for employers that hire or employ Hawaii residents who are members of the National Guard.

The Department of Defense, Hawaii National Guard Association, Hawaii National Guard Enlisted Association, National Guard Association of Hawaii Insurance Trust, and The Chamber of Commerce of Hawaii testified in support of this bill. The Department of Taxation offered comments.

Your Committee has amended this bill by:

- (1) Deleting:
  - (A) The percentage of a qualified employee's salary or wage costs paid or incurred by the taxpayer during the taxable year; and
  - (B) The maximum amount of tax credit, that may be claimed by the taxpayer, to encourage further discussion;
- (2) Changing the effective date to July 1, 2015, 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 617, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 400 Public Safety & Military Affairs on H.B. No. 1065**

The purpose of this bill is to continue to honor those who have served our country by appropriating funds for the maintenance of state veterans cemeteries statewide, including the purchase of appropriate soil and casket liners to remedy the soil problems at the cemeteries.

The Office of Veterans Services and State Advisory Board on Veterans Services supported this bill.

Your Committee has amended this bill by:

- (1) Creating separate appropriations for:
  - (A) The maintenance of state veterans cemeteries; and
  - (B) The purchase of casket liners;
- (2) Changing the effective date to July 1, 2015, to facilitate 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1065, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 401 Public Safety & Military Affairs on H.B. No. 1345**

The purpose of this bill is to make emergency appropriations for emergency relief operations statewide resulting from the October 15, 2006, Kiholo Bay Earthquake disaster to:

- (1) Fund statewide response and recovery efforts to repair damaged public structures and infrastructure;
- (2) Cover the required 25 percent cost share for the Federal Emergency Management Agency's Public Assistance Program and individual Assistance Program, as required by the Robert T. Stafford Disaster and Emergency Assistance Act, and for the Natural Resources Conservative Service Emergency Watershed Protection Program;
- (3) Provide emergency generators to selected critical communications facilities to ensure continuity of operations;
- (4) Hire consultants to:
  - (A) Investigate and survey alternate sources of irrigation water for the island of Hawaii; and
  - (B) Develop and coordinate plans for public and private partnerships to improve and protect sources and distribution of irrigation water on the island of Hawaii;

and
- (5) Provide financial assistance to critical education and health care facilities for structural and non-structural mitigation projects.

The Department of Defense, Department of Education, and University of Hawaii System supported this bill.

Your Committee has amended this bill by:

- (1) Broadening the purposes of the appropriations by removing language specifying only certain structures and facilities for which the funds could be used;
- (2) Changing the amounts of the appropriations to unspecified sums to encourage further discussion;



- (3) Changing the effective date to July 1, 2015; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1345, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 402 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 1140**

The purpose of this bill is to enable the State Fire Council (Council) to meet its responsibilities more effectively by authorizing the Council to hire an administrator and an administrative assistant to help in the:

- (1) Management of the daily operations of the Council;
- (2) Administration of the adoption of the State Fire Code;
- (3) Application for and expenditure of federal grant assistance for fire-related projects;
- (4) Conducting statewide training;
- (5) Undertaking educational programs;
- (6) Collection of data; and
- (7) Performance of other duties as directed by the Council.

The Department of Labor and Industrial Relations, State Fire Council, Honolulu Fire Department, and Kauai Fire Department supported this bill.

Your Committees have amended this bill by:

- (1) Adding an appropriations section;
- (2) Providing an appropriation of \$1 to facilitate further discussion;
- (3) Changing the effective date to July 1, 2015; 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 Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1140, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1140, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nishimoto, Souki, Takumi and Pine.

**SCRep. 403 Public Safety & Military Affairs/Transportation on H.B. No. 621**

The purpose of this bill is to help lift some of the financial burdens placed on our active duty National Guard and Reserve military personnel by exempting them from vehicle taxes and registration fees.

The Hawaii National Guard Association, Hawaii National Guard Enlisted Association, National Guard Association of Hawaii Insurance Trust, and The Chamber of Commerce of Hawaii supported this bill. The Department of Defense and Department of Transportation supported the intent of this measure.

Your Committees have amended this bill by allowing all military personnel on active duty, together with the Coast Guard to be included in the vehicle tax and registration fee exemption.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 621, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 621, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Takamine, Takumi, Meyer and Pine.

**SCRep. 404 Public Safety & Military Affairs/Transportation on H.B. No. 1092**

The purpose of this bill is to improve the State's emergency preparedness by appropriating funds for the purchase of back-up generators to:

- (1) The Department of Defense (DOD) to power emergency shelters throughout the state; and
- (2) The Department of Transportation (DOT) to ensure continuous electrical power at State airports and commercial harbors.

DOT and DOD supported the intent of this bill.

Your Committees have amended this bill by:

- (1) Deleting the appropriation to DOD for the purchase of back-up generators to power emergency shelters throughout the state;
- (2) Changing the effective date to July 1, 2015, 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 Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1092, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1092, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Takamine, Takumi and Meyer.

**SCRep. 405 Health on H.B. No. 1721**

The purpose of this bill is to protect emergency medical services personnel from harm by adding the commission of violence or the threat of violence against emergency medical services personnel to the offenses of assault in the second degree and terroristic threatening in the first degree.

The Healthcare Association of Hawaii and several concerned individuals testified in support of this bill.

Your Committee recognizes that the provision of emergency medical service involves characteristics of both public safety and the medical profession and therefore emergency medical services personnel face a high level of risk in the line of duty. Other public servants such as police, fire, and bus employees have already been afforded a heightened class of protection to deter violence against them. Your Committee believes that emergency medical services personnel are entitled to the same level of protection for putting their lives at risk to serve the community.

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. 1721 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 406 Health on H.B. No. 1372**

The purpose of this bill is to appropriate \$1,900,000 as an emergency appropriation to reimburse costs associated with the delivery of emergency aeromedical services on Oahu by the Hawaii Army National Guard or other provider.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 236 to the Legislature, requested immediate consideration and passage of this bill, citing an existing critical funding emergency to continue aeromedical services on Oahu.

The Department of Defense and Department of Health testified in support of 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 H.B. No. 1372 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 and Shimabukuro.

**SCRep. 407 Human Services & Housing on H.B. No. 1358**

The purpose of this bill is to clarify the goals of the Hawaii Youth Correctional Facilities (HYCF).

The Office of Youth Services, American Civil Liberties Union of Hawaii, and Community Alliance on Prisons testified in support of this bill.

Your Committee recognizes that one of the goals of this measure is to clarify the mission of HYCF and to be focused more on rehabilitation, rather than punishment. Rehabilitation and reentry into the community are important, particularly where the recidivism rate is reportedly as high as 85 percent.

Your Committee has amended this bill by:

- (1) Replacing the term "incarceration" with "custody"; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1358, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee.

**SCRep. 408 Human Services & Housing on H.B. No. 1406**

The purpose of this bill is to protect minors from the harmful effects of drugs. This bill expands the crimes of endangering the welfare of a minor in the first and second degrees to include situations in which a person, having care or custody of a minor, causes or allows the minor to inject, ingest, inhale, or otherwise use a controlled substance that was not prescribed by a physician. Currently, the law is limited to the ingestion of methamphetamine.

The Department of Public Safety, Honolulu Police Department, and Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill.

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

Signed by all members of the Committee.

**SCRep. 409 Human Services & Housing on H.B. No. 524**

The purpose of this bill is to provide foster youth who are subject to a permanent plan the opportunity to participate in permanent plan hearings.

The Legal Aid Society of Hawaii and a concerned individual testified in support of this bill. The Department of Human Services (DHS) supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that DHS is only required to arrange for transportation, rather than provide transportation; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 524, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 410 Human Services & Housing on H.B. No. 1357**

The purpose of this bill is to allow the family court to pursue the option of legal guardianship for a child in appropriate cases.

The Attorney General and Department of Human Services testified in support of this bill. A concerned individual provided 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1357, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1357, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 411 Human Services & Housing on H.B. No. 453**

The purpose of this bill is to appropriate funds to the Hawaii State Commission on the Status of Women (Commission) for programming, travel, and office expenses.

The Commission and Hawaii Centers for Independent Living testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 453 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 412 Human Services & Housing on H.B. No. 456**

The purpose of this bill is to appropriate funds for the Department of Human Services (DHS) to directly reimburse sellers of over-the-counter Plan B emergency contraception to women who are Medicaid recipients.

The Healthy Mothers, Healthy Babies Coalition of Hawaii and Hawaii Medical Association testified in support of this bill. Pro-Family Hawaii opposed this measure. DHS provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 456 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 413 Human Services & Housing on H.B. No. 828**

The purpose of this bill is to test the feasibility of allowing recipients of Medicaid personal care services or home- and community-based services to:

- (1) Receive a flexible monthly allowance; and
- (2) Decide on the services they want to receive and who should provide these services,

by directing the Department of Human Services (DHS) to establish a "cash and counseling" pilot program. This bill also appropriates an unspecified sum to develop and implement this program.

Hawaii Centers for Independent Living testified in support of this bill. DHS, the Policy Advisory Board for Elder Affairs, and Hawaii Aging Advocates Coalition supported the intent of this measure.

While this bill undergoes further review, your Committee respectfully requests DHS to examine the self directed waiver programs in Montana and Kansas.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 828 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 414 Human Services & Housing on H.B. No. 1455**

The purpose of this bill is to expand enrollment in the QUEST program by:

- (1) Requiring the Department of Human Services (DHS) to request a waiver from the federal government to allow the State to remove its QUEST enrollment cap; and
- (2) Expand enrollment to individuals at or below 300 percent of the federal poverty level if a waiver is granted.

The Waianae Coast Comprehensive Health Center, Hawaii Primary Care Association, and Healthcare Association of Hawaii testified in support of this bill. The Department of Human Services (DHS) provided comments.

Your Committee encourages DHS and other stakeholders to explore the feasibility and to conduct a cost-analysis of providing insurance coverage to State employees who meet the income qualifications, and the possibility of using the Employer-Union Health Benefits Trust Fund moneys to pay for the coverage and possibly receive matching funds, thereby saving the State money.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1455 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 415 Human Services & Housing on H.B. No. 526**

The purpose of this bill is to allow certain public assistance recipients who provide full-time, at-home child care to children two years-of-age or under, to receive a percentage of the child care subsidy the State would otherwise pay for child care.

The Attorney General and Department of Human Services (DHS) provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that exclude participating households from receiving additional child care subsidies;
- (2) Removing provisions that a participating household will not be required to forfeit other public assistance;
- (3) Inserting an appropriation instead of requiring DHS to use available funds; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 526, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 416 Human Services & Housing on H.B. No. 1043**

The purpose of this bill is to minimize the negative impact of homelessness by:

- (1) Establishing a task force to coordinate resources to benefit children who are homeless;
- (2) Establishing the Kokua Na Keiki Special Fund (Fund) to assist with coordinating homeless services, including the establishment of a homeless coordinator position; and
- (3) Making appropriations for purposes of the Fund.

The Department of Education (DOE), Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hookakoo Corporation, and a concerned individual testified in support of this bill. The Hawaii Centers for Independent Living (HCIL) and a concerned individual provided comments.

Your Committee recognizes the comments and concerns noted in testimony, including the education needs of homeless children. DOE recommended that this measure should align with federal laws and that the homeless coordinator should serve as a liaison with DOE. DOE also suggested that the coordinator should be a member of the Hawaii Statewide Interagency Council on Homelessness. HCIL expressed its concerns about the state's system of services to persons with disabilities and their children and suggested that the task force include an individual who can provide the perspective of parents with disabilities.

Your Committee has amended this bill by:

- (1) Adding two members to the task force who are homeless; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1043, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 417 Agriculture on H.B. No. 1640**

The purpose of this measure is to establish a priority system for processing permit applications for air pollution controls for operators of agricultural processing facilities that process crops or livestock from an agri-business where the majority of the lands the agri-business owns or uses is identified as important agricultural lands.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and Alexander & Baldwin, Inc. Testimony in opposition to this measure was received from the Department of Health.

Your Committee finds that the underlying purpose of this measure is to extend an incentive to agriculturalists to use and preserve lands that are identified pursuant to the state Land Use Law, (chapter 205, Hawaii Revised Statutes), as important agricultural lands.

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. 1640 and recommends that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 418 Agriculture on H.B. No. 400**

The purpose of this bill is to support Hawaii's agricultural industry by providing funds to implement drought mitigation projects and strategies in each county of the State of Hawaii.

The Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau, and Maui County Farm Bureau submitted testimony in support of this measure. The Department of Agriculture and the Department of Land and Natural Resources supported the intent of the measure.

Your Committee finds that droughts have not only affected Hawaii's agriculture and livestock industries, but have also impacted other segments of the community, such as our water supply, commerce, environment, public health, and safety. In 2004, each county developed a long range plan and drought mitigation strategies to help reduce the negative effects of drought in their communities.

Your Committee further finds that the Hawaii drought plan, water infrastructure polices, and county water management strategies developed in 2004 have not been implemented due to a lack of resources. This measure will enable implementation of each county's drought mitigation strategy.

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

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

**SCRep. 419 Agriculture on H.B. No. 1924**

The purpose of this measure is to appropriate funds to eradicate and control the spread of the coqui frog in Hawaii.

Your Committee received supporting testimony from the Department of Agriculture, the Mayor of Maui County, the Kauai County Council, the Kauai Office of Economic Development, the Hawaii Farm Bureau Federation, the Hawaii Agriculture Research Center, The Nature Conservancy, the Hawaii Association of Realtors, and fourteen other concerned citizens. Your Committee also received testimony from a concerned citizen who was opposed to this measure.

Your Committee finds that infestations of the Caribbean tree frog (*eleutherodactylus coqui*), more commonly known as the coqui frog have been documented in over one hundred fifty sites on the island of Hawaii. Coqui frog populations are also growing on the islands of Maui and Kauai as well. This infestation of coqui frogs is in such high concentrations that the sounds they emit have been measured at sustained levels exceeding the Department of Health's maximum permissible sound level of seventy decibels and, therefore, have become a threat to human health and welfare and unreasonably interferes with the comfortable enjoyment of life and property.

This measure provides the means to eradicate and control the coqui frog state-wide to ultimately eliminate or reduce the economic, environmental, and public health threats posed by the coqui frog to the State.

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. 1924 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 420 Agriculture on H.B. No. 1941**

The purpose of this bill is to appropriate moneys for the inspection, quarantine, and eradication of invasive species.

The Department of Agriculture, Hawaii Farm Bureau Federation, Alexander and Baldwin, Inc., the Hawaii Agriculture Research Center, and The Nature Conservancy submitted testimony in support of this measure.

Hawaii Crop Improvement Association supported the intent of the measure. Animal Rights Hawaii submitted testimony in opposition to this measure.

Your Committee finds that this appropriation will enable the Department of Agriculture to implement a comprehensive strategy to address invasive species.

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. 1941 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 421 Human Services & Housing/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 851**

The purpose of this bill is to enable residents of affordable housing to use Oahu's planned mass transit system by:

- (1) Directing the State to identify public lands within one-half mile from the transit corridor and within a one-mile radius of any transit station that are suitable for affordable housing development; and
- (2) Requiring the Governor to set aside those public lands for affordable housing.

The Department of Land and Natural Resources and the Hawaii Housing Finance and Development Corporation supported the intent of this bill.

Your Committees have amended this bill by:

- (1) Extending the time period for the identification of public lands from sixty days to one hundred eighty days; and
- (2) Making technical, nonsubstantive amendments for clarity and to correct drafting errors.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 851, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 851, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Morita, Saiki, Awana and Thielen.

**SCRep. 422 Human Services & Housing on H.B. No. 468**

The purpose of this bill is to require the Department of Human Services (DHS) to disregard the difference between 133 percent of the assistance allowance and 100 percent of the federal poverty level in determining eligibility for the Medically Needy Program. This bill also appropriates funds for the Medically Needy Program.

The Legal Aid Society of Hawaii and Hawaii Chapter of the National Association of Social Workers testified in support of this bill. DHS and the Hawaii Centers for Independent Living provided comments.

Your Committee respectfully requests DHS to clarify whether a medically needy recipient who earns \$1 more than the income eligibility level for Medicaid needs to spend down the income to the lower standard of assistance.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 468 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 423 Human Services & Housing on H.B. No. 1907**

The purpose of this bill is to provide housing for senior citizens by authorizing the issuance of up to \$120,000,000 in special purpose revenue bonds for Craigsides Retirement Residence, a not-for-profit Hawaii corporation, to finance the land acquisition, planning, design, and construction of a senior housing community in Honolulu, Oahu.

Craigside Retirement Residence, Arcadia Retirement Residence, and Hawaii Long Term Care Association testified in support of this bill.

Your Committee finds that plans are underway to purchase a 1.5 acre property in Nuuanu to construct a moderate income continuing care retirement community to be known as 15 Craigside. It will consist of 171 apartments and a 40-bed nursing facility.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1907 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 424 Human Services & Housing on H.B. No. 523**

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

- (1) Requiring the Department of Human Services (DHS) to ensure that the provision of care to foster children are within certain guiding principles; and
- (2) Allowing the family court to issue orders to the Department of Education to ensure that the rights of foster children are upheld.

The Legal Aid Society of Hawaii testified in support of this bill. DHS supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Allowing the family court to also issue orders to DHS and the Department of Health;
- (2) Changing the term "rights" to "principles", with regard to orders issued by the family court; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 523, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 425 Human Services & Housing on H.B. No. 1557**

The purpose of this bill is to encourage the development of affordable housing by providing exemptions and waivers for condominium developments of 50 units or more per acre of land.

A concerned individual testified in support of this bill. The City and County of Honolulu Department of Community Services opposed this measure. The Hawaii Housing Finance and Development Corporation (HHFDC) provided comments.

Your Committee has amended this bill by:

- (1) Authorizing HHFDC to apply existing exemptions and waivers to the sale or transfer of new multi-family for-sale condominium developments of 50 units or more per acre, or developments targeted primarily for households with incomes up to 60 percent of the median family income; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1557, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Awana.

**SCRep. 426 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 399**

The purpose of this bill is to educate, construct, maintain, and assist in the development of conservation plans to protect soil and water resources.

Specifically, this bill makes an appropriation of \$500,000 in fiscal years 2007-2008 and 2008-2009, for the Hawaii Association of Conservation Districts to operate soil and water conservation districts.

Your Committees received testimony in support of this bill from the Hawaii Farm Bureau, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, and the Puna Soil and Water Conservation District. The Department of Agriculture and the Department of Land and Natural Resources supported the intent of the bill.

Your Committees find that there are now sixteen soil and water conservation districts in the State that are empowered to educate, construct, maintain, and assist in the development of conservation plans and oversee county grading ordinances but that the Hawaii Association of Conservation Districts is underfunded to carry out its objectives. Your Committees believe that this appropriation will assist the Hawaii Association of Conservation Districts to fulfill its goals and objectives.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 399 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, Chang, Herkes, Saiki, Wakai, Ching and Meyer.

**SCRep. 427 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1525**

The purpose of this measure is to appropriate funds for a grant to establish a working group to support and maintain a sustainable livestock industry in the State.

Your Committees received supporting testimony from the Hawaii Farm Bureau, the Maui County Farm Bureau, and the Vice Chairman of the West Maui Soil and Water Conservation District.

The livestock industry in Hawaii has seen a significant reduction in the number of commercial farms in the State due to urbanization, and rising costs related to freight, equipment, feed, and nutrient management practices. The working group proposed by this measure will help address these issues and to revitalize the livestock industry in the State.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1525 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, Chang, Herkes, Saiki, Wakai, Ching and Meyer.

**SCRep. 428 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1639**

The purpose of this bill is to encourage owners of qualifying agricultural lands to have their lands designated as important agricultural lands (IALs) by providing tax benefits for owners who lease their IALs. Specifically this bill:

- (1) Excludes rental income derived from qualifying agricultural leases on lands identified and designated as IALs from gross income, adjusted gross income, and taxable income, under the income tax law;
- (2) Exempts rental income derived from qualifying agricultural leases on lands identified and designated as IALs from the general excise tax; and
- (3) Appropriates funds for the Department of Agriculture (DOA) to assess the impact of the income tax exclusion of rental income derived from IALS provided for in this bill and requires DOA to submit an annual report regarding the assessment.

The Land Use Research Foundation of Hawaii supported this bill. DOA supported this bill and suggested amendments. The Hawaii Farm Bureau Federation supported the intent of this bill. The Department of Taxation offered comments.

Your Committees find that certain amendments were recommended regarding the details of the administration of the general excise tax exemption and income tax exclusion contained in this measure.

Accordingly, your Committees have amended this bill by:

- (1) Requiring the agricultural leases to be in effect and the lessees to continuously and substantially undertake agricultural activity on the leased land, as determined by DOA;
- (2) Specifying that the income tax exclusion and general excise tax exemption shall not apply if the conditions in (1) are not complied with;
- (3) Specifying that assignments of the original lease to other lessees shall be for the time period remaining on the original lease, unless the terms of the lease are renegotiated; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committees note that concerns were raised regarding the appraisal methodologies specified in this bill for setting the lease rent in cases where the lease term length is mutually agreed to by the lessor and lessee. Concerns focused on the appropriateness of using the specified appraisal methodologies and whether state agencies such as the Department of Land and Natural Resources and DOA have the capability to perform such appraisals. Your Committees support future legislative efforts to address this issue.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1639, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1639, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Chang, Herkes, Saiki, Wakai, Ching and Meyer.

**SCRep. 429 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1121**

The purpose of this bill is to provide equitable water rates for agricultural water furnished by private entities by directing the Public Utilities Commission (PUC) to require private entities that furnish water used for agricultural purposes in an area zoned for agricultural use to establish a water rate structure for agricultural water use that is comparable to the water rate structure used by the local county board of water supply.

The Mayor of the County of Hawaii, a councilmember of the Hawaii County Council, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and Palila Growers, LLC, supported this bill. The Department of Agriculture supported the intent of this measure. PUC and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate) submitted comments.

Your Committees recognize the underlying problem that this bill intends to address: The disparate water rates for agricultural water use among the different state, county, and private entities that provide water. However, your Committees note that testimony received from the Consumer Advocate and PUC indicated strong concerns regarding a blanket requirement to conform private entity water rates with those of the county.

Accordingly, your Committees have amended this measure by deleting the provisions specifying that the water rate structure established by a private entity be comparable to the water rate structured used by the local county board of water supply. As amended, this measure directs the PUC to require private entities that furnish water used for agricultural purposes in an area zoned for agricultural use to establish a water rate structure for qualified agricultural users by January 1, 2008.

Your Committees find that concerns were raised regarding the criteria to qualify as a "qualified agricultural water user." Concerns focused on allowing "gentlemen estates" and other similar types of residential, non-agricultural land use activity occurring on agricultural land to qualify for the water rates. Your Committees support future legislative efforts to address this issue.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1121, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1121, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 430            Judiciary on H.B. No. 351**

The purpose of this bill is to improve roadway safety and deter motorists from running a red light by allowing the counties to establish and implement a photo red light imaging detector system program (Program).

The Department of Transportation, Department of the Prosecuting Attorney of the City and County of Honolulu, Downtown Neighborhood Board 13, Hawaii Insurers Council, Mothers Against Drunk Driving-Hawaii, and State Farm Mutual Automobile Insurance Company supported this bill. The Office of the Public Defender and several concerned individuals opposed this bill. The Judiciary and the Department of Budget and Finance submitted comments.

Your Committee finds that concerns were raised in the public hearing regarding the actual implementation of the Program, including the issue of contracts for the private sector to implement the Program. In addition, concerns were raised regarding the feasibility of distributing revenues collected from the Program to the counties.

In light of these concerns, your Committee has amended this measure by changing its effective date to July 1, 2050, to encourage further discussion. Other 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 351, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 351, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 431            Judiciary on H.B. No. 764**

The purpose of this bill is to facilitate voter participation in elections by allowing voters to apply for absentee voter status. More specifically, this bill:

- (1) Enables a registered voter who requests an absentee ballot, to make an additional request to receive absentee ballots permanently;
- (2) Specifies that voters who request permanent absentee ballots be mailed the ballots for each election conducted in that precinct on a continual basis;
- (3) Requires the Chief Election Officer to make the option of receiving permanent absentee ballots known and provide the necessary forms; and
- (4) Appropriates funds for the implementation and administration of the permanent absentee voter program.

The Office of Elections supported the intent of this bill. The Office of the City Clerk of the City and County of Honolulu submitted comments.

Your Committee recognizes the positive impact that a permanent absentee voting system may have on voter turnout in Hawaii. However, your Committee has concerns regarding the maintenance and reliability of voter registration lists if this new system is implemented. Your Committee notes that these concerns are addressed by certain provisions contained in H.B. No. 1136.

Accordingly, your Committee has amended this measure by:

- (1) Making the permanent absentee voter responsible for informing the clerk of any changes to personal information, including changes to the voter's forwarding address;
- (2) Establishing conditions under which a voter's permanent absentee voter status will be terminated;
- (3) Specifying that if a voter's permanent absentee voter status has been terminated, the voter must again request permanent absentee voter status to become a permanent absentee voter; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 764, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 432            Judiciary on H.B. No. 969**

The purpose of this bill is to prevent, control, and reduce violent crime, drug abuse, and gang activity in local communities by appropriating funds to expand the Weed and Seed Program (Program) to the Kalihi, Waipahu, and Ewa Beach areas of Oahu.

The Honolulu Police Department, Gentry Homes, Ltd., Parents and Children Together (PACT), and numerous concerned individuals testified in support of this bill. A concerned individual supported this measure with amendments. The Department of the Attorney General (AG) supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the intent of the bill is to maintain the operations of the Program at sites on Oahu that encompass Ala Moana, downtown Honolulu, Kalihi, Waipahu, and Ewa Beach, with the vision of expanding it to other communities in the future;
- (2) Establishing a permanent Program within the AG's office and requiring annual reports to be submitted to the Legislature and the Governor;
- (3) Appropriating funds for a grant-in-aid to PACT, rather than the YWCA of Honolulu, to be expended by the AG through a contract with PACT;
- (4) Changing the effective date to January 30, 2112, 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. 969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 969, H.D. 1, and be referred to the Committee on Finance.

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



**SCRep. 433 Judiciary on H.B. No. 1133**

The purpose of this bill is to increase accessibility to the election process by enacting election day registration for primary, special primary, special, general, and special general elections.

The Office of Elections, The League of Women Voters of Hawaii, and a concerned individual testified in support of this bill. The Office of the City Clerk of the City and County of Honolulu offered comments.

Often voters do not become interested in a particular election until after the registration deadline. For this reason, election day registration will remove another impediment to voter registration and voting. Seven other states already allow this form of registration.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage continuing discussion; and
- (2) Making technical, nonsubstantive amendments for style and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1133, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine. (Representatives Green, McKelvey, Marumoto and Thielen voted no.)

**SCRep. 434 Judiciary on H.B. No. 1135**

The purpose of this bill is to improve state elections by appropriating funds to allow the Election Commission to properly carry out its duties and responsibilities.

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

Your Committee finds that the funding provided in this measure will help to improve the operations of the Election Commission.

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. 1135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1135, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Pine.

**SCRep. 435 Consumer Protection & Commerce on H.B. No. 1334**

The purpose of this bill is to extend the authority to increase or decrease professional and vocational licensing fees to thirty additional licensing programs under the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, including acupuncturists, motor vehicle repair licensees, electricians and plumbers, mental health counselors, mortgage brokers and solicitors, nursing home administrators, and port pilots.

The Department of Commerce and Consumer Affairs, National Association of Social Workers, and Occupational Therapy Association of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1334 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, Morita and Thielen.

**SCRep. 436 Consumer Protection & Commerce on H.B. No. 88**

The purpose of this bill is to enhance the prosecution of insurance fraud by appropriating funds to provide additional personnel and resources for the insurance fraud investigations unit (Unit) of the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA).

DCCA, Hawaii Medical Service Association, and Hawaii Independent Insurance Agents Association testified in support of this bill. The American Council of Life Insurers submitted comments.

This bill seeks to ensure that the Unit's efforts in combating insurance fraud are not impeded by a lack of resources. However, your Committee finds that the Unit's ability to prevent, investigate, and prosecute insurance fraud is nonetheless restricted in that the Unit's jurisdiction is currently limited to motor vehicle insurance fraud. An expansion of the Unit's jurisdiction to include insurance fraud with respect to other types of insurance would help maximize the funding provided by this measure.

Accordingly, your Committee has amended this measure by:

- (1) Expanding the Unit's jurisdiction to include insurance fraud in workers' compensation cases, until July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 88, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 88, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 437 Consumer Protection & Commerce on H.B. No. 1518**

The purpose of this bill is to protect design professionals from frivolous lawsuits by establishing certificate of merit requirements.

ECS, Inc.; Masa Fujioka & Associates; Fukunaga & Associates, Inc.; the American Council of Engineering Companies of Hawaii; Gray, Hong, Nojima and Associates, Inc.; Coalition of Hawaii Engineering & Architectural Professionals; KAI Hawaii Inc.; and Sam O. Hirota, Inc., testified in support of this bill. The Department of Accounting and General Services and Consumer Lawyers of Hawaii opposed this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 438 Energy & Environmental Protection/Economic Development & Business Concerns on H.B. No. 871**

The purpose of this bill is to stimulate economic development by supporting the production of alternative energy systems. Specifically, the bill adds seawater air conditioning cooling systems to the definition of "qualified business" in the state enterprise zone law to provide tax incentives to these systems.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Honolulu Seawater Air Conditioning, LLC, the World Business Academy, and the Hawaii Renewable Energy Alliance. The Department of Taxation offered comments.

Currently, as relating to alternative energy resources, only wind energy systems are considered qualified businesses within a state enterprise zone and thus supported by the State in that manner.

Your Committees find that it furthers the State's goal of reducing its dependence on fossil fuel imports if other alternative energy resources, such as seawater air conditioning cooling systems, are supported as well. Moreover, providing benefits to qualified businesses in state enterprise zones stimulates business and industrial growth in areas that could profit from neighborhood revitalization.

Your Committees believe that support in the form of tax incentives available under the enterprise zone law resulting from this measure will lead to reduced costs for developers of seawater air conditioning cooling systems and for customers as well. This, in turn, should lead to a speedy adoption of this new technology and reduce not only fossil fuel imports, but global warming as well.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 871 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ching, Marumoto and Thielen.

**SCRep. 439 Energy & Environmental Protection on H.B. No. 870**

The purpose of this bill is to support the development of renewable energy and energy efficient systems through a seawater air conditioning district cooling system on the island of Oahu.

More specifically, this measure authorizes the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC for the design and construction of a cooling facility and chilled water distribution system in downtown Honolulu using cold, deep seawater as the primary cooling source.

Honolulu Seawater Air Conditioning, LLC and World Business Academy submitted testimony in support of the measure.

Your Committee finds that a chilled water distribution system using seawater is economically feasible and would provide numerous operating, maintenance, financial, and environmental benefits to our island State. A seawater air conditioning district cooling system would reduce the State's dependence on imported oil.

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

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

**SCRep. 440 Energy & Environmental Protection on H.B. No. 1111**

The purpose of this measure is to provide an income tax credit to taxpayers to offset the general excise tax assessed on alcohol fuels.

Your Committee received comments from the Department of Taxation on this measure. Your Committee also received testimony on this measure from the Department of Business, Economic Development, and Tourism expressing strong concerns.

Your Committee finds that a plethora of legislative proposals have been introduced with respect to exempting alcohol fuels from the general excise tax. However, the policy objective of this and other bills are not clearly defined. Your Committee understood that the purpose of the general excise tax exemption on alcohol fuels was to provide an ethanol blending incentive. Your Committee has learned that such a policy was not an effective incentive and what has stimulated the interest in the local production of ethanol is the ethanol facility tax credit. However, your Committee is aware that there appears to be a desire to lower the cost of gasoline for Hawaii consumers. This type of policy, if adopted, may best be achieved through an income tax credit to ensure that the savings is realized by the consumer/taxpayer rather than relying on the gasoline retailer to pass on such savings, which may not occur through a general excise tax exemption and thus may only serve to increase a retailer's margin. Also, a general excise tax exemption may not be an appropriate method to advance this policy, as it is a tax on the gross income of a business not the consumer.

Therefore, your Committee finds that, if it is the policy objective to provide Hawaii residents and businesses with monetary relief at the gas pump, it should not be confused with any type of incentive to encourage the production and use of alternative fuels. Additionally, your Committee further finds that an income tax credit may be the more appropriate vehicle to provide that monetary relief.

Your Committee will work to facilitate further discussion on this matter and urges subsequent Committees taking up this measure to consider these issues carefully. Your Committee also notes that, as the Legislature further defines this policy statement, the title of this measure may become problematic. Your Committee therefore recommends to the Committee on Finance to consider the scope of the subject matter discussed in relation to the applicability of the title.

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. 1111 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 441 Energy & Environmental Protection on H.B. No. 873**

The purpose of this measure is to provide priority handling and processing, and expedite action of all state and county permits required for renewable energy projects.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., Honolulu Seawater Air Conditioning, LLC, and World Business Academy. The City and County of Honolulu Department of Planning and Permitting, and the Sierra Club, Hawaii Chapter, offered testimony in opposition to the measure.

Your Committee finds that, in the processing of renewable energy permits, priority handling could encourage private companies to undertake such projects. However, if these project reviews were to be expedited, there may be certain environmental or ecological concerns that may be overlooked.

Your Committee has amended this measure by:

- (1) Clarifying that the proposed new section being added to chapter 46, Hawaii Revised Statutes, relates only to county and not state permits; and
- (2) Providing that this measure would allow prioritizing and processing of renewable energy project permits but would not expedite the review of the permit applications.

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. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 873, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 442 Education on H.B. No. 1915**

The purpose of this bill is to address student truancy in the kindergarten or first grade by expediting the penalty process for the person responsible for the child, if it is proven that the person did not use proper diligence to enforce the child's regular attendance at school.

A concerned individual testified in support of this bill. The Department of Education and a concerned individual supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1915 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takai.

**SCRep. 443 Education/Labor & Public Employment on H.B. No. 1670**

The purpose of this bill is to facilitate intellectual property development in Hawaii, while upholding high labor and environmental standards and funding instruction that encourages innovation by public school students. This bill establishes a for-profit, limited liability company chartered by the State to own, license, use, and sell intellectual property for the benefit of inventors, labor unions, and public educators.

The Professional Inventors Alliance, Vivalog Technologies, and several concerned individuals testified in support of this bill. A concerned individual supported the intent of this measure. The Department of Budget and Finance opposed this measure. The Department of Education offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1670, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Evans, Shimabukuro, Souki, Wakai, Ching and Meyer.

**SCRep. 444 Labor & Public Employment on H.B. No. 1367**

The purpose of this bill is to eliminate the correlation between the salaries of specific department heads and deputy department heads and certain non-civil service positions.

The Department of Budget and Finance, Department of Human Resources Development, Hawaii Paroling Authority, Chairman of the Stadium Authority, Department of Accounting and General Services, Hawaii Housing Finance and Development Corporation, and Hawaii Public Housing Authority testified in support of this bill.

Your Committee recognizes that state agencies and departments sometimes experience difficulty in attracting and retaining qualified executives because of the current salary caps.

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. 1367 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 445 Labor & Public Employment on H.B. No. 1818**

The purpose of this bill is to permit the state and county governments to rehire retired employees as permanent employees in critical-to-fill or labor shortage positions, without affecting the retirement benefits of the rehired retirees.

The Judiciary, Honolulu Police Department, Hawaii Police Department, Hawaii Government Employees Association, Hawaii State Teachers Association, and a concerned individual testified in support of this bill. The Department of Education and City & County of Honolulu Department of Human Resources supported the intent of this measure. The County of Maui Department of Personnel Services, County of Maui Police Department, County of Maui Department of the Prosecuting Attorney, and County of Maui Department of Water Supply opposed this bill. The Department of Human Resources Development and Employees' Retirement System (ERS) offered comments.

Your Committee has amended this bill by:

- (1) Changing all references to "retiree" to "retirant" for consistency;
- (2) Clarifying that retirants may be rehired for exempt positions;
- (3) Specifying that the provisions of the bill are exempt from sections 88-21, 88-42.5, 88-43, 88-45, 88-46, 88-98, 88-273, 88-325, 88-326, and 88-344;
- (4) Setting employer contributions to the ERS Fund to 15.75 percent of the rehired retirant's compensation for police officers, firefighters, and corrections officers, and 13.75 percent for all other employees;
- (5) Changing the effective date to July 1, 2009, to encourage further discussion;
- (6) Inserting a repeal date of five years from the effective date of the Act; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1818, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nishimoto, Souki, Takumi and Pine.

**SCRep. 446 Labor & Public Employment/Public Safety & Military Affairs on H.B. No. 915**

The purpose of this bill is to allow corrections officers in the Noncontributory and Hybrid Plans to retire with at least twenty-five years of credited service, unreduced for age.

The United Public Workers/AFSCME, Local 646, AFL-CIO, and several individuals testified in support of this bill. The Department of Public Safety and Employees' Retirement System (ERS) commented on this measure.

Currently corrections officers are not eligible to retire after twenty-five years of credited service, irrespective of their age upon retirement. Your Committees further find that other law enforcement and safety officers who perform similar functions or face comparable job-related stress or hazards are provided with a lower standard for retirement eligibility.

However, concerns were raised regarding the effect this enhanced benefit will have on the unfunded liability currently facing the ERS. Your Committees were concerned that corrections officers may be unaware of the increased percentages in contributions they will be assessed for this benefit, which may not make this plan economically feasible to them. Moreover, your Committee was informed by the ERS that, in fairness, corrections officers in the Hybrid Plan should face increased retirement contributions equitable to the contributions made by other public safety employees currently receiving this benefit. Despite these concerns, your Committee feels this measure warrants further consideration.

Accordingly, your Committee has amended this measure by:

- (1) Increasing the contribution percentage for corrections officers in the Hybrid Plan from 6% to 9.75%; and
- (2) Changing the effective date to July 1, 2059, to facilitate further discussion.

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

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 915, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 915, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nishimoto, Souki, Takumi and Pine.

**SCRep. 447 Economic Development & Business Concerns on H.B. No. 936**

The purpose of this bill is to enhance competition and increase consumer choice in the gift card and gift certificate marketplace by allowing certificate issuers to charge service fees, except for "back-end" service fees for dormancy or inactivity, which may only be charged after the first six months after the certificate is issued. The bill also requires issuers to disclose any fees that may be charged, their timing, and amount.

VISA U.S.A., Inc., and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs, Retail Merchants of Hawaii, and Hawaii Food Industry Association opposed the bill.

Your Committee finds that the current law prevents some multi-use gift card issuers from marketing their products in Hawaii, because they are unable to recoup the costs of marketing, selling, and servicing the card, which includes the cost of replacing cards and customer service. Your Committee also heard that because of federal preemption, gift cards issued by federally chartered banks may charge fees despite state law.

Your Committee has amended this bill by:

- (1) Extending the six month period after which fees may be charged, to 24 months; and
- (2) Changing the effective date to July 1, 2034, to allow further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 936, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Berg.

**SCRep. 448 Economic Development & Business Concerns on H.B. No. 853**

The purpose of this bill is to ensure that a violation of the prevailing wage law arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

The Hawaii Building and Construction Trades Council, AFL-CIO, International Union of Elevator Constructors, Hawaii State AFL-CIO, and a concerned individual testified in support of this bill. DLIR 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 H.B. No. 853, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Berg.

**SCRep. 449 Economic Development & Business Concerns on H.B. No. 1280**

The purpose of this bill is to achieve economic diversity and sustainability by developing a highly skilled workforce. This bill:

- (1) Establishes a Lifelong Learning Accounts Program to encourage the upgrading of skills of the incumbent workforce;
- (2) Establishes the Rapid Response Training Program and revolving fund to facilitate rapid customized training for high priority sectors of the business community;

- (3) Establishes the Kama`aina Come Home Program to attract former Hawaii residents to jobs in Hawaii; and
- (4) Transfers the Workforce Development Division, Research and Statistics Office, and Workforce Development Council (WDC) from the Department of Labor and Industrial Relations (DLIR) to the Department of Business, Economic Development, and Tourism (DBEDT).

The Governor of the State of Hawaii, DBEDT, Department of Taxation, DLIR, University of Hawaii, WDC, Coalition of Hawaii Engineering and Architectural Professionals, Hawaii Science & Technology Council, People Bridge, CTA Solutions, Hagadone Printing, and several concerned individuals testified in support of this bill. The Chamber of Commerce of Hawaii supported the intent of this measure. ILWU Local 142 offered comments.

Your Committee has amended this bill by:

- (1) Deleting the provisions relating to the Lifelong Learning Accounts Program and the Kama`aina Come Home Program; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee finds that developing a skilled workforce encompasses a broad spectrum of training and service needs. While this bill focuses on knowledge- and innovation-intensive jobs, the needs of job seekers with limited English language skills and work experience must not be overlooked. It is important that the State address the needs of a wide range of job seekers and that the allocation of limited resources reflects this perspective.

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. 1280, 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. 1280, H.D. 2.

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

**SCRep. 450 Economic Development & Business Concerns/Energy & Environmental Protection on H.B. No. 1902**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds up to \$400,000,000 as follows:

- (1) \$260,000,000 to assist Hawaiian Electric Company, Inc.;
- (2) \$25,000,000 to assist Maui Electric Company, Limited; and
- (3) \$115,000,000 to assist Hawaii Electric Light Company, Inc.

Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., 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 Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1902 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ching, Marumoto and Thielen.

**SCRep. 451 Public Safety & Military Affairs on H.B. No. 248**

The purpose of this measure is to repeal the ten round capacity limit on detachable ammunition magazines designed for or capable of use with a pistol.

The bill would also prohibit magazines not authorized for use with the pistol by its manufacturer.

Your Committee received testimony in opposition to this measure from the Attorney General and the chiefs of police of the City and County of Honolulu and the County of Hawaii. Testimony in support of the measure was received from the Hawaii Historic Arms Association, the Hawaii Rifle Association, Lessons in Firearm Education, the Mid-Pacific Practical Pistol League, the Puuloa Rifle and Pistol Club, the Rhat Rhat Boyz Gun Club, one business, and numerous private citizens. Two individuals provided comments.

Your Committee finds that while the ban on large capacity ammunition magazines was intended to reduce the lethality of firearm violence, the ban has instead impacted law-abiding citizens, especially those engaged in shooting sports whose competitiveness is diminished by the need to reload. Moreover, the federal government has allowed a similar limitation to expire.

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. 248 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 452 Public Safety & Military Affairs on H.B. No. 201**

The purpose of this bill is to ensure that moneys and gifts received by the Hawaii Health Systems Corporation are properly accounted for and expended.

Specifically, this bill creates the veterans' home account and the veterans' gift account to be administered by the Hawaii Health Systems Corporation. The former account is to receive funds by executive departments, appropriations, certain gifts, and other payments for medical care and services provided to veterans in the state veterans' home, to be expended for operation of the state veterans' home, programs and services, solicitation of further funding, and public information programs. The latter account is to receive gifts of personal property for designated use by donors, may be sold or exchanged, or used in-kind.

Your Committee received testimony in support of this bill from the Office of Veterans Services and the Advisory Board on Veterans' Services. Testimony in opposition was received from the Department of Budget and Finance and the Hawaii Health Systems Corporation.

Your Committee believes that these two accounts will help to ensure that moneys and gifts received by the Hawaii Health Systems Corporation will be properly accounted for and expended.

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

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 453 Public Safety & Military Affairs on H.B. No. 1063**

The purpose of this measure is to allow officers, warrant officers, and enlisted personnel of the Hawaii Army and Air National Guard, while on active duty of the State, to have their pay directly deposited by electronic means into their personal banking accounts.

Your Committee received testimony in support of this measure from the State Adjutant General of the Department of Defense, Chief of Staff of the Hawaii Army National Guard, Hawaii National Guard Association, Hawaii National Guard Enlisted Association, National Guard Association of Hawaii Insurance Trust, Chamber of Commerce of Hawaii, and two individuals.

Your Committee finds that allowing the direct deposit of paychecks earned by Hawaii National Guard personnel on state active duty is a faster, more efficient, and safer means of making these payments.

Your Committee finds that this measure extends to the members of our National Guard on active duty to the State a benefit that is already extended to many other employees in the private sector.

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. 1063 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 454 Public Safety & Military Affairs on H.B. No. 149**

The purpose of this measure is to provide a one-time tax credit to victims of the October 15, 2005 earthquake.

Your Committee received testimony from the Department of Defense which deferred to the Department of Taxation for comments and recommendations regarding the measure.

On October 15, 2005, the biggest earthquake since 1975 rattled Hawaii with two seismographic tremors measuring 6.6 and 5.8, respectively. Although lasting only fifteen seconds in most parts of the State, the rolling aftershock continued well after the initial shock on the island of Hawaii.

Nearly four months later, many families are still struggling to repair the damage caused by the earthquake. Reports of inadequate compensation by the Federal Emergency Management Agency has left worried residents without the means to make necessary repairs.

This measure will provide state relief to those families in need of assistance to get their lives back to normal.

Your Committee has amended the measure for purposes of facilitating further discussion on this matter.

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. 149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 149, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 455 Public Safety & Military Affairs on H.B. No. 568**

The purpose of this bill is to require the Governor and the Department of Defense to prepare emergency messages and updates in multiple languages and distribute those messages to media outlets for broadcast during an emergency. The measure also appropriates moneys for this purpose.

One individual submitted testimony in support of this measure.

The Department of Defense and Radio Station KZOO AM1210 submitted comments on this measure.

Your Committee has changed the effective date of the appropriation provision of this measure to July 1, 2015 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 568, as amended herein, and recommends that it pass Second Reading in the form hereto as H.B. No. 568, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 456 Public Safety & Military Affairs on H.B. No. 619**

The purpose of this bill is to provide additional support for the Office of Veterans' Services.

Specifically, this bill establishes one full-time permanent clerk typist II position within the Office of Veterans' Services and appropriates \$33,230 in fiscal year 2007-2008 and fiscal year 2008-2009 to fund that position.

Your Committee received testimony in support of this bill from the Office of Veterans' Services and the Advisory Board on Veterans' Services.

Your Committee finds that there is a pressing need to provide additional support to the Office of Veterans' Services to assist in processing a large backlog of unprocessed discharge documents. The addition of a full-time clerk typist II position will address this issue. In addition, your Committee finds that the Office of Veterans' Services requires additional funding support for travel expenses for the office's new traveling counselor.

Accordingly, upon further consideration, your Committee has amended this bill by:

- (1) Adding an appropriation of \$8,000 for fiscal year 2007-2008 and fiscal year 2008-2009 to fund travel expenses of the traveling counselor of the Office of Veterans' Services; and
- (2) Changing the effective date of the bill to July 1, 2015, for the purpose of stimulating further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 619, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 457 Public Safety & Military Affairs on H.B. No. 1526**

The purpose of this measure is to increase public safety by providing comprehensive support services and training to inmates and formerly incarcerated persons so that they may successfully reintegrate back into our communities.

Specifically, the measure provides funds for a grant to Maui Economic Opportunity, Inc. to develop and maintain inmate rehabilitation programs.

A member of the Maui County Council, an Assistant Professor of Human Services from Maui Community College, the BEST Program Director from Maui Economic Opportunity, Inc., and two individuals submitted testimony in support of the measure. The Department of Public Safety offered comments.

Your Committee finds that reentry programs such as the Maui Economic Opportunity's Being Empowered and Safe Together (BEST) reintegration program not only reduce recidivism rates, but also instill values and beliefs that empower persons who are preparing to return to the community after incarceration. The BEST program provides intensive case management, training, counseling, mentoring, and assistance with employment, housing, and family reunification so that formerly incarcerated persons can have the support they need to become productive, law abiding citizens.

Your Committee has amended this bill by changing the effective date to July 1, 2015 to facilitate 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. 1526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1526, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki, Takumi and Finnegan.

**SCRep. 458 Public Safety & Military Affairs on H.B. No. 1676**

The purpose of this measure is to heighten awareness of hurricane preparedness and safety among Hawaii residents during the month of May of every year.

Specifically, the measure designates May as "Hurricane Preparedness Month."

The Department of Defense offered comments on this measure.

Although Hawaii's hurricane season begins on June 1 and runs through November 30 of every year, the Legislature finds that the month of May would be an opportune time for residents to review hurricane preparedness efforts and make their own emergency plans. The Legislature also finds that National Hurricane Preparedness Week, which is collaboration between the federal government and storm-vulnerable states, occurs during the third week of May of every year.

Your Committee has amended this bill by including a reference to National Hurricane Week to clarify the designation of May as "Hurricane Preparedness Month."

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. 1676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1676, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 459 Agriculture on H.B. No. 1155**

The purpose of this bill is to clarify the calculation of criminal property damage for damages to agricultural and aquacultural equipment, supplies, or products (agricultural items). This bill specifies that in calculating the value of damages to the agricultural items, the amount of damages includes future losses and the loss of future production.

The Department of Agriculture, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Maui County Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1155 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 460 Agriculture on H.B. No. 315**

The purpose of this bill is to provide affordable water to farmers on Maui by authorizing the issuance of general obligation bonds to provide state matching funds for costs incurred in the construction of a new agricultural water distribution system for Kula, in upcountry Maui.

The Department of Water Supply for the County of Maui, Hawaii Crop Improvement Association, Aloun Farms, and Hawaii Farm Bureau Federation supported this bill. The Department of Agriculture and 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 315 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 461 Agriculture on H.B. No. 780**

The purpose of this bill is to provide equitable treatment for agricultural water users by establishing that county agricultural water users (county users) shall be entitled to a reimbursement from the Department of Agriculture (DOA) for the difference between the actual costs of irrigation water that the county user paid to the county and the cost of the equivalent amount of irrigation water had that amount of irrigation water been provided by the state irrigation system.

The Maui County Farm Bureau supported this bill. The Hawaii Farm Bureau Federation supported the intent of this measure. DOA opposed this bill. The Hawaii Crop Improvement Association submitted comments.

Your Committee finds that only a fraction of all agricultural water users have access to affordable water provided by the state irrigation system. In many cases, those water users who do not have access to this system must rely on the counties to provide the water. County water rates are substantially higher than the state irrigation system. Your Committee finds that this measure will help to address this disparity and provide equitable treatment to agricultural water users.

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

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 462            Agriculture on H.B. No. 1059**

The purpose of this bill is to provide much-needed water resources on Maui by appropriating \$1,500,000 for Fiscal Year (FY) 2007-2008 to plan, design, and construct a test well in upcountry Maui, either in Makawao or Pukalani, to serve as the first phase in the construction of a ground water well to supplement the upcountry surface water system.

The Department of Water Supply for the County of Maui and Aloun Farms supported this bill. The Department of Land and Natural Resources supported the intent of this measure. The Office of Hawaiian Affairs opposed this bill.

Your Committee has amended this measure by:

- (1)        Revising and clarifying the appropriation for the test well as follows:
  - (A)        \$125,000 for FY 2007-2008 for plans and design; and
  - (B)        \$1,375,000 for FY 2008-2009 for construction;

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. 1059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1059, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 463            Agriculture on H.B. No. 1222**

The purpose of this bill is to improve efforts to assist aquacultural businesses and streamline the aquaculture loan program by, among other things:

- (1)        Establishing class E loans for new aquaculturists;
- (2)        Raising the loan ceilings on class A and class B aquaculture loans to \$800,000;
- (3)        Conforming aquaculture loan program requirements more closely to those of the agriculture loan program by allowing a qualified aquaculturalist to obtain a loan under the program if two, instead of three, lenders deny credit;
- (4)        Repealing the Aquaculture Loan Revolving Fund and making the Agricultural Loan Revolving Fund the funding source for aquacultural loans; and
- (5)        Requiring the Director of Finance to increase the budget expenditure ceiling of the Agricultural Loan Revolving Fund by the amount of the budget expenditure ceiling of the Aquaculture Loan Revolving Fund.

The Department of Agriculture, Office of Hawaiian Affairs, Hawaii Aquaculture Association, Hawaii Agriculture Research Center, and several concerned individuals supported this bill.

Your Committee has amended this measure by:

- (1)        Changing its effective date to July 1, 2050, 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1222, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chang and Herkes.

**SCRep. 464            Transportation on H.B. No. 332**

The purpose of this bill is to control excessive vehicular noises by:

- (1)        Providing drivers an option to turn off audible reverse warning systems between the hours of 10:00 p.m. and 6:00 a.m. if the vehicle is guided by a person, other than the driver of the vehicle, who is behind the vehicle and has a clear view of both vehicle's rearward path and the vehicle's driver; and
- (2)        Requiring that any switch permitting the audible reverse warning system to be manually disengaged shall automatically turn itself off after a fixed period of time and automatically engage the audible reverse warning system.

An individual testified in support of this bill. The Department of Transportation (DOT) supported the intent of this bill. The Hawaii Transportation Association (HTA) submitted comments and concerns on this measure.

Noise pollution has become a big problem in Hawaii, especially in the late evening and early morning hours. Many of the sources of this noise can be attributed to motor vehicles, in particular warning devices that are used when a vehicle is reversing. While your Committee recognizes the safety concerns raised by HTA, allowing reverse audible warning devices to be disengaged when someone is guiding the driver when a vehicle is reversing may reduce noise without compromising safety.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 332 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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



**SCRep. 465                    Transportation on H.B. No. 443**

The purpose of this bill is to reduce excessive noise produced by loud motor vehicle exhaust systems by establishing a graduated system of fines for violations of the motor vehicle muffler noise law.

Citizens against noise testified in support of this bill. Street Bikers United Hawaii testified in opposition to this measure. A concerned individual submitted comments.

Loud motor vehicle mufflers affect many neighborhoods throughout the state, especially densely populated areas such as Waikiki on the island of Oahu. Not only do these devices emit their own sound but their rumble often triggers car alarms by the vibrations they create. This is especially pronounced in the late evening and early morning hours.

Although your Committee understands that overly excessive noise emitted from motor vehicles is a nuisance and generally only involves a few number of individuals who are violating current law, this matter deserves further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 443 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 466                    Transportation on H.B. No. 156**

The purpose of this bill is to increase motor vehicle safety by:

- (1) Prohibiting the use of a hand-held cellular phone while operating a motor vehicle upon a public highway;
- (2) Prohibiting the use of a hand-held cellular phone, including those equipped with a hands-free device, while operating a moving school bus; and
- (3) Imposing fines for using a hand-held cellular phone while operating a motor vehicle.

This bill also provides exemptions if the person using the hand-held cellular phone is using the phone for emergency purposes or is using a hands-free device.

The Department of Transportation Services of the City and County of Honolulu, Oahu Transit Services, Inc., Verizon Wireless, and Cingular Wireless testified in support of this bill. Sprint Nextel opposed this measure.

The use of a hand-held cellular device while operating a motor vehicle can be a distraction leading to a motor vehicle collision. Collisions due to the use of a hand-held cellular device could be avoided and personal injury and property damage eliminated if regulations existed to restrict the use of a hand-held cellular device while operating a motor vehicle. Although debate continues as to whether cell phone use contributes to accidents, your Committee feels that this bill warrants further discussion.

Your Committee has amended this measure by:

- (1) Prohibiting the use of a hand-held cellular phone, including those equipped with a hands-free device, while operating a transit vehicle; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 156, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 156, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 467                    Transportation on H.B. No. 1215**

The purpose of this bill is to clarify and expedite the processing of traffic infractions by:

- (1) Clearly establishing that the District Court may adjudicate civil traffic infractions charged against minors;
- (2) Clarifying that confidentiality protections afforded to minors are inapplicable to civil traffic infraction proceedings;
- (3) Consistently applying the civil standard of proof for civil traffic infraction trials;
- (4) Allowing District Courts discretionary scheduling of concurrent proceedings to address difficulties faced in complying with present concurrent scheduling requirements;
- (5) Clarifying the protections afforded to a defendant against self-incrimination;
- (6) Promoting consistency in the manner of processing and adjudicating moving and non-moving civil traffic infractions; and
- (7) Permitting the use of electronic citations.

The Judiciary testified in support of this bill. Catrala-Hawaii commented on this measure.

Currently, a vast majority of lesser traffic offenses can be adjudicated without requiring the defendant's appearance in court. However, some methods used in processing traffic infractions remain unclear, ambiguous, and inconsistent. This measure attempts to address these issues.

Your Committee understands the concerns raised by Catrala-Hawaii and the impact these changes may have on U-drive (also known as rental car) companies. Accordingly, your Committee has amended this bill by:

- (1) Requiring that the lessee at the time of the issuance of the traffic infraction shall be responsible for the summons or citation if the registered owner of record is the lessor of a rental or U-drive motor vehicle;

- (2) Making the lessor responsible for a summons or citation if the lessor does not provide the court having jurisdiction over the summons or citation the name and address of the lessee within 45 days after a notice containing the date, time, and location of the violation and the license number of the vehicle;
- (3) Allowing the administrative judge of the court having jurisdiction over the citation or summons to waive the requirement of providing the name and address of the lessee by the lessor and impose an administrative fee of \$5 per citation on the lessor;
- (4) Clarifying that a lessor may be responsible for fines or fees related to traffic infractions, in addition to parking citations;
- (5) Allowing a lessor to charge a lessee an administrative fee not to exceed four hours of work multiplied by Hawaii's prevailing-minimum wage relating to research of files and communications with the court and lessee rather than a \$20 flat fee;
- (6) Requiring rental agreements to disclose the maximum amount of the administrative fee to be charged and encourage the lessee to pay the parking citation or traffic infraction directly; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1215, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 468                      Transportation on H.B. No. 155**

The purpose of this bill is to provide an environmentally friendly strategy for the lighting of Hawaii's streets, highways, and harbors by requiring the Department of Transportation (DOT) to comply with county ordinance and standards relating to outdoor lighting.

The University of Hawaii testified in support of this bill. The Department of Transportation opposed this measure.

Artificial lighting is increasing on all of the major Hawaiian Islands as metropolitan centers increase. This increase in artificial light, especially from light sources at Hawaii's airports and harbors, and along Hawaii's highways, now threaten the ability of the telescopes along Mauna Kea and Haleakala to study the night sky. Your Committee finds that DOT's compliance with county lighting ordinances, along with the use of fully shielded lighting fixtures, will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security. Moreover, these fully shielded lighting fixtures are environmentally friendly and are currently in use on the H3 freeway.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 155 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 469                      Transportation on H.B. No. 481**

The purpose of this bill is to enhance harbor safety by appropriating funds to the Department of Transportation (DOT) to install navigation lights on the bridge over Kalaniana'ole Highway at the entrance to the Hawaii Kai Marina on Oahu.

DOT and the Department of Land and Natural Resources testified in support of the intent of this bill.

Boaters often navigate their vessels near or under the bridge on Kalaniana'ole Highway over the entrance to the Hawaii Kai Marina in East Honolulu. However, at night, possible dangers associated with navigating near or under the bridge increase. Installing navigation lights to warn boaters will decrease this danger.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 481 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 470                      Transportation on H.B. No. 1559**

The purpose of this bill is to ensure that the heritage of Hawaii's rural communities is not lost by encouraging flexibility in highway design in these areas. Specifically, this bill requires the Department of Transportation (DOT) to consider applying flexible highway design when designing improvements to:

- (1) Koolau Loa Coastal Highway from Kaaawa to Waimea on Oahu; and
- (2) Lower Puna to Kapoho Coastal Road on the Island of Hawaii.

The Representative from the 4<sup>th</sup> District, Malama Ohana, and the Hawaii County Economic Development Council testified in support of this bill. DOT supported the intent of the measure.

Hawaii has some of the most beautiful coastal roadways in the country. Balancing appropriate financial, political, social, and economic policy concerns, including safety, and cost-effectiveness, with environmental, aesthetic, and cultural preservation concerns will preserve these treasures for years to come.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1559 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 471                      Transportation on H.B. No. 779**

The purpose of this bill is to reduce traffic congestion in the Kunia area by appropriating funds for the reconfiguration of the portion of the H-1 Freeway over the Kunia Interchange in the eastbound direction to provide for a third lane of travel.

An individual testified in support of this bill. The Department of Transportation (DOT) testified in support of the intent of this measure.

Traffic congestion continues to be a problem on Oahu, especially in West Oahu. Reconfiguration of the H-1 Freeway at the Kunia Interchange may help alleviate some of this congestion.

However, your Committee notes the concerns raised by DOT that the location of the reconfiguration is not accurate and that a preliminary engineering study should be conducted to determine the feasibility of adding a lane at that particular area of the H-1 Freeway. Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the portion of the H-1 Freeway being considered for an additional lane of traffic is at the Kunia Interchange near the eastbound on-ramp;
- (2) Requiring the appropriated funds to be used for the preliminary engineering, design, and construction of an additional lane at the Kunia interchange near the eastbound on-ramp; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 779, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 472 Energy & Environmental Protection on H.B. No. 872**

The purpose of this measure is to encourage development of renewable energy projects.

More specifically, this measure clarifies the definition of "renewable energy producer" to include thermal energy sold to customers of district cooling systems. This measure will also allow counties to grant, sell, or 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 World Business Academy submitted testimony in favor of this measure.

The Department of Land and Natural Resources submitted testimony in support of the intent of the measure.

Your Committee finds that this measure would treat seawater air conditioning system developers similarly to other renewable energy producers with respect to the leasing of public lands. Further, the measure would streamline the process for obtaining easements for seawater distribution systems and chilled water systems and thereby encourage the expansion and use of thermal energy technologies.

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. 872 and recommends that it pass Second Reading and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 473 Energy & Environmental Protection on H.B. No. 1864**

The purpose of this bill is to limit the liability of a government agency or private entity for injuries sustained by volunteers who engage in coqui frog eradication efforts.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of Land and Natural Resources, the Hakalau Coqui Warriors, the Hele Mauna Street Neighborhood Watch, Coqui Frog Eradication Committee, the Kohala Coqui Coalition, the Beach Road Invasive Coqui Squad, and a representative of the Maui Outdoor Circle and the Kihei Akahi Association of Apartment Owners.

Currently, the law is unclear regarding the liability of government agencies and private entities that engage in coqui frog eradication with the help of unpaid volunteers. Oftentimes, the government limits potential liability to volunteers by requesting a volunteer to complete workers' compensation insurance and liability waivers. But, private entities apparently do not require a volunteer to waive any liability.

This measure will provide uniform and consistent protection to government agencies and private entities and clarifies that the government agency or the private entity will not be held liable for a volunteer's injuries or damages except for gross negligence or wanton acts or omissions.

Your Committee amended this measure by:

- (1) Clarifying the definition of "entity" to include community groups; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and conformity.

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. 1864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1864, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 474 Energy & Environmental Protection on H.B. No. 1595**

The purpose of this measure is to protect Hawaii consumers from price gouging in the purchase of petroleum products during periods of abnormal disruptions in the marketplace caused by extraordinary adverse conditions.

Specifically, this measure would make the sale or offer of sale of petroleum products at an amount that represents an unconscionably excessive price during any abnormal disruption of the market, an unfair or deceptive act in the conduct of any trade or business under section 480-2, Hawaii Revised Statutes.

Your Committee has received comments from the Department of Commerce and Consumer Affairs and Western States Petroleum Association. Your Committee also received testimony from one individual in support of this measure.

Your Committee finds that H.B. No. 1333 mirrors the instant measure, but is more precisely drafted, focusing on gasoline rather than petroleum and specifically defining the term gasoline for the purposes of determining an unfair or deceptive trade practice.

However, the title of this measure allows this Committee to address another related potential problem. Presently in Hawaii, there are many residents that must rely on propane gas for cooking in non-permanent shelters. Propane gas is another commodity that may be subject to excessive price gouging, targeting a segment of our State's population that is the most vulnerable to such practices.

Your Committee has amended this measure by:

- (1) Substituting the contents of H.B. No. 1333; and
- (2) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1595, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 475 Energy & Environmental Protection on H.B. No. 1805**

The purpose of this measure is to require a refundable \$50 deposit on each new lead acid battery sold in the State.

Your Committee acknowledges that improper disposal of used lead acid batteries is an ongoing problem, especially where dealers are unwilling to accept them for disposal. Your Committee believes that there is a need for a financial incentive to encourage buyers to recycle used batteries and to encourage dealers to accept them. Your Committee finds that a deposit on each new lead acid battery, to be refunded on exchange of a used lead acid battery, will encourage recycling of batteries and reduce the amount of hazardous wastes in Hawaii's landfills. However, the Committee believes that a \$50 deposit amount is too high.

Accordingly, your Committee has amended this measure to remove the \$50 deposit amount and has left the amount unspecified to facilitate further discussion. Your Committee has also made a technical nonsubstantive amendment for purpose of clarity.

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. 1805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1805, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 476 Energy & Environmental Protection/Agriculture on H.B. No. 1646**

The purpose of this measure is to require retailers of pesticides to verbally warn purchasers of pesticides on the proper storage, disposal, and dangers of pesticides.

Your Committees received testimony in support of this measure from ten concerned citizens. Your Committee also received testimony opposed to this measure from the Department of Agriculture, the Hawaii Agriculture Research Center, the Hawaii Pest Control Association, the Hawaii Farm Bureau Federation, the Hawaii Food Industry Association, and a local retailer.

Your Committees find that many consumers are uninformed with respect to the proper handling, storage, and disposal of pesticides. The mishandling of pesticides can lead to the illness or injury of a pesticide user and can contaminate and threaten the health and safety of the community as well. Your Committees, however, are cognizant of the concerns of the pesticide industry and have therefore amended the measure to:

- (1) Require posted signs instead of verbal warning by retailers with respect to pesticides;
- (2) Specify inclusion of information on the proper handling, storage, and disposal of pesticides, as well as emergency telephone numbers to call in case of poisoning from pesticides; and
- (3) Require the Department of Agriculture to adopt rules concerning the content and use of the warning signs.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1646, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1646, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 477 Labor & Public Employment on H.B. No. 1660**

The purpose of this bill is to address the Employees' Retirement System's (ERS) ability to eliminate its unfunded liability. Specifically, this bill:

- (1) Increases the State and county contributions to the ERS for all their employees;
- (2) Repeals the provision allowing the employer contribution rates to be reduced even if the period required to amortize the unfunded actuarial liability falls below 25 years;
- (3) Places a ban on any new employee benefit enhancements until the ERS becomes fully funded; and
- (4) Allows the ERS Board of Trustees to adopt the actuary's recommendations for the salary scale assumptions.

The Department of Budget and Finance testified in support of the intent of this bill. The ERS submitted comments.

Currently, the unfunded liability of the ERS stands at \$5.1 billion dollars. Moreover, the recent actuarial report on the ERS found that, at current benefit levels and employer contribution rates, it will take approximately 43 years to amortize the unfunded liability. In addition, current statutory salary scale assumptions of approximately 4% are inadequate to actual salary scale assumptions.

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. 1660 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nishimoto, Souki, Takumi and Pine.

**SCRep. 478 Legislative Management on H.B. No. 507**

The purpose of this bill is to preserve legislative authority over the disposition of the State Small Boat Harbors Program. This bill prohibits the transfer of the small boat harbors to any county unless expressly provided by statute.

The Hawaii Government Employees Association, the Chair of the Maui County Council, Ocean Tourism Coalition, and one concerned individual 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 July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 507, 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. 507, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 479 Education on H.B. No. 594**

The purpose of this bill is to further improve the governance and administration of charter schools by, among other things:

- (1) Clarifying the role of the Board of Education (BOE) in policymaking for charter schools, including:
  - (A) Appointing members of the Charter School Review Panel (Panel); and
  - (B) Serving as an appeals board for charter school applicants or charter schools that do not agree with the decisions of the Panel;
- (2) Delegating to the Panel the responsibilities to:
  - (A) Approve or deny charter applications for new charter schools;
  - (B) Issue and revoke charters, and place charter schools on probation;
  - (C) Approve or deny amendments to detailed implementation plans;
  - (D) Conduct charter school evaluations; and
  - (E) Appoint and evaluate the executive director of the Charter School Administrative Office (CSAO);
- (3) Changing the membership of the Panel;
- (4) Authorizing the Panel to provide opportunities to create administrative sub-districts based on geography, governance, methodology, curriculum, cultural focus, or affiliation with an agency, campus, industry, or nonprofit organization when the sub-districts are in the best interests of the charter school system;
- (5) Making the CSAO, rather than BOE, responsible for the staff and resources of the Panel;
- (6) Clarifying how the executive director of CSAO is appointed and evaluated;
- (7) Ensuring that funding allocations to charter schools are based on the most recently-approved executive budget recommendations for the Department of Education (DOE); and
- (8) Creating a special category of agency-sponsored start-up charter schools to encourage state agencies, University of Hawaii campuses, and private sector partnerships to create and support charter schools.

The League of Women Voters of Hawaii, Hawaii Charter Schools Network, Halau Ku Mana New Century Public Charter School, Connections Public Charter School, and numerous concerned individuals testified in support of this bill. The University of Hawaii, Hookakoo Corporation, and Kamehameha Schools supported the intent of this measure. BOE, the Hawaii State Teachers Association, and a concerned individual opposed this bill. The CSAO and a concerned individual offered comments.

Your Committee recognizes that this bill is a work-in-progress. One of the issues that require further discussion concerns the way in which the executive director of CSAO is evaluated: should the BOE, Panel, and charter schools be involved collectively, and if so, how?

With this in mind, your Committee has amended this bill by:

- (1) Deleting the provisions that enable the creation of agency-sponsored start-up charter schools;
- (2) Removing the requirement that the Panel be accountable to the general public, as the requirement seems too far-reaching and its implementation is unclear;
- (3) Removing the executive director of CSAO, or the executive director's designee, from the Panel, thereby changing the membership of the Panel to eleven individuals;
- (4) Deleting the provisions that authorize the Panel to provide opportunities to create administrative sub-districts;
- (5) Changing the term of the executive director of CSAO from not less than two years to not less than four years;
- (6) Continuing to require the executive director to consult with the charter schools in carrying out the executive director's responsibilities for the internal organization, operation, and management of the charter school system;
- (7) Requiring that the executive director be evaluated by only the Panel;
- (8) Clarifying that DOE must provide CSAO with all state-level federal grant proposals submitted by DOE and timely reports on state-level federal grants received that charter schools may receive or apply for; and

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 594, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 594, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 480 Legislative Management on H.B. No. 1684**

The purpose of this bill is to enhance international relations by establishing a position within the Office of International Affairs of the Department of Business, Economic Development, and Tourism (DBEDT) to serve as a liaison between the Legislature and visiting foreign delegations. This bill also appropriates unspecified funds for the position.

Two concerned individuals testified in support of this bill. The University of Hawaii and DBEDT supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1684, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 481 Legislative Management on H.B. No. 1432**

The purpose of this bill is to ensure meaningful, statewide access to Internet services by:

- (1) Establishing a task force to study the feasibility of creating a State-operated, high-speed wireless Internet access program;
- (2) Directing the Auditor to prepare a statewide access plan; and
- (3) Appropriating unspecified funds.

The Department of Education supported the intent of this bill. The Department of Accounting and General Services, Hawaii Telcom, and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1432, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 482 Judiciary on H.B. No. 389**

The purpose of this bill is to promote fairness in elections. This bill prohibits candidates for public office from appearing in a public service announcement or advertisement produced on behalf of a state-administered program or paid for with state or public funds from the time the candidate files nomination papers until the individual is no longer a candidate for office.

The League of Women Voters of Hawaii testified in support of this bill. The Campaign Spending Commission offered comments.

Your Committee has amended this bill by clarifying that an individual is no longer a candidate on the day after:

- (1) The primary election for candidates who fail to be nominated to run in a general election; and
- (2) The general election for candidates who are nominated in a primary election and seek election in a general election.

Technical, nonsubstantive amendments were also made to the 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. 389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 389, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 483 Legislative Management on H.B. No. 1814**

The purpose of this bill is to ensure legislative access to information about the Family Court by requiring the Board of Family Court Judges to provide the Legislature, upon request, with reports containing Family Court information and data that the Legislature may consider necessary.

The Judiciary offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1814 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 484 Higher Education on H.B. No. 136**

The purpose of this bill is to appropriate funds to continue the vital services provided by the Hawaii AIDS Clinical Research Program (Program) in conducting healthcare research and development that will improve the lives of patients with HIV-1 infection.

The Program, Life Foundation, The Center – Hawaii, and numerous concerned individuals testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 136, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 485 Agriculture on H.B. No. 692**

The purpose of this bill is to support agricultural operations in Hawaii by extending the lapse date from June 30, 2007, to June 30, 2010, for special purpose revenue bonds authorized under Act 131, Session Laws of Hawaii 2004, to assist Aloun Farms in building an agricultural processing plant.

Hawaii Agriculture Research Center, Aloun Farms, and Kamiya Gold, Inc., supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 692, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 486 Agriculture on H.B. No. 403**

The purpose of this measure is to appropriate funds for the operation and maintenance of the East Kauai Irrigation System.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation, the County of Kauai Office of Economic Development, the County of Kauai Department of Water, the Kauai County Farm Bureau, the Hawaii Crop Improvement Association, the Hawaii Agriculture Research Center, the East Kauai Water Users' Cooperative, and the Saiva Siddhanta Church.

Your Committee finds that after Amfac Sugar Company ceased operation of its ditch and reservoir systems on Kauai, the East Kauai Water Users' Cooperative obtained the necessary permits to continue operation of the systems as the East Kauai Irrigation System. The Cooperative, however, is facing a critical funding shortfall because the user fees charged by the Cooperative are insufficient to pay for the operating and maintenance expenses of the System.

This measure would provide the necessary funds to continue the operation and maintenance of the East Kauai Irrigation System.

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

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

**SCRep. 487 Agriculture on H.B. No. 119**

The purpose of this measure is to permit the Agribusiness Development Corporation to acquire by grant, purchase, or gift agricultural water systems to provide water for the irrigation of agricultural lands, exempt from any county subdivision requirements.

You Committee received testimony in support of this measure from the Agribusiness Development Corporation and Kamehameha Schools.

Your Committee finds that this measure will allow the Agribusiness Development Corporation to take over existing irrigation systems without having to comply with time-consuming and costly county subdivision requirements. This will greatly benefit the agricultural industry in the State.

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

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

**SCRep. 488 Agriculture on H.B. No. 1793**

The purpose of this measure is to support agricultural operations currently in cultivation on certain lands situated on the Ewa plains.

Specifically, this measure would prevent the Land Use Commission from accepting, hearing, or approving any petitions to reclassify certain lands presently under cultivation on the Ewa plains out of the agricultural district.

Your Committee is concerned that there are tenants on these lands that are under agricultural leases that are coming to the end of their terms, but the tenants are in active cultivation of crops on these lands. These crops are finding their way into the local produce market and have become a vital part of that market.

Your Committee has received testimony in support of the intent of this measure from the Department of Agriculture. Your Committee has also received testimony from the City and County of Honolulu, Department of Planning and Permitting, and the fee owner of these lands, D.H. Horton, Schuler Division, in opposition to this measure.

Your Committee has amended this measure to continue to direct the Land Use Commission to not accept, hear, or act upon any petition to reclassify certain lands on the Ewa plains that are under active cultivation out of the agricultural district while directing the Department of Agriculture to enter into negotiations with the fee owner of these lands to assist in the provision of:

- (1) An extension of the present leases with long-term agricultural leases for the present tenants of the lands that currently are engaged in cultivating agricultural crops on the land; or
- (2) An agreement to assist in the relocation of the tenants of the land that currently are engaged in cultivating agricultural crops on the land at the termination of their current leases to other suitable agricultural lands with sufficient agricultural infrastructure to support the agricultural activities the tenants wish to continue.

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. 1793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1793, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 489 Agriculture/Economic Development & Business Concerns on H.B. No. 80**

The purpose of this bill is to jumpstart the development of a coordinated network of agricultural processing, marketing, and shipping facilities by:

- (1) Appropriating funds for the planning of a pilot program on the island of Hawaii to demonstrate the first of several linked terminal markets to serve food producers, distributors, retailers, military buyers, private distributors, and retail outlets;
- (2) Appropriating funds to hire a consultant to assist in the planning of terminal market facilities and to perform certain other duties;
- (3) Requiring the consultant to work with the Department of Agriculture (DOA) to form a committee of affected stakeholders that is required to recommend policies, rules, and procedures for any operator chosen by DOA to operate the terminal markets; and
- (4) Authorizing the issuance of general obligation bonds for the construction and equipping of a terminal market and vacuum cooling plant for the island of Hawaii.

Hawaii Farm Bureau Federation supported this bill. DOA supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 80 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 490 Agriculture/Economic Development & Business Concerns on H.B. No. 1220**

The purpose of this bill is to provide a dedicated source of revenue for the Seal of Quality Program (Program) by establishing the Seal of Quality Special Fund to support the Program's operations.

The Department of Agriculture, Hawaii Farm Bureau Federation, Kona Pacific Farmers Cooperative, Hawaii Agriculture Research Center, Green Point Nurseries, Inc., Hamakua Macadamia Nut Company, and Manoa Honey Company supported this bill.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1220 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 491 Agriculture/Economic Development & Business Concerns on H.B. No. 396**

The purpose of this bill is to encourage the purchase and use of Hawaii agricultural products by, among other things, requiring:

- (1) Procurement contracts for food operations of state correctional facilities and state hospitals and healthcare facilities to be awarded to the lowest responsible and responsive bidders, with preference given to the agricultural products raised or grown in Hawaii; and
- (2) The State Procurement Office, with assistance from the Department of Agriculture (DOA), to develop a Hawaii Agricultural Product Program that requires state purchasing agents of food operations at state correctional facilities and state hospitals and healthcare facilities to, among other things, set goals to increase in increments the purchase of Hawaii agricultural products from ten percent per year to a maximum of fifty percent per year.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, and the Hawaii Agriculture Research Center supported this bill. DOA, State Procurement Office, and a concerned individual supported the intent of this measure. The Department of Accounting and General Services submitted comments.

Your Committee has amended this measure by:

- (1) Increasing the scope of the preference contained in this bill by including food operations of public schools; 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 Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 396, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 396, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hanohano, Manahan, Ching and Marumoto.

**SCRep. 492 Agriculture/Economic Development & Business Concerns on H.B. No. 1662**

The purpose of this bill is to provide additional financing opportunities for agricultural businesses by adding linked investment loan packages for eligible borrowers engaging in agriculture to the list of allowable short-term investments in which the Director of Finance (Director) may invest state moneys. Specifically, this bill, among other things, establishes that if the Director accepts the linked investment loan package prepared by an eligible lending institution, the Director shall place a certificate of deposit (CD) for the loan amount with the eligible lending institution.

The Hawaii Farm Bureau Federation and Maui County Farm Bureau supported this bill. The Department of Agriculture supported the intent of this measure but deferred to the Department of Budget and Finance (B&F). B&F submitted comments.

Upon further consideration, your Committees have amended this measure by:

- (1) Capping the loan amount at ninety percent of the CD's value;
- (2) Clarifying that the CD is required to earn a rate of interest of not less than the current market rate;
- (3) Clarifying that the CD have a maturity of one year for the initial period with an option for renewal or until the loan is paid in full; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1662, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1662, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.



**SCRep. 493 Energy & Environmental Protection on H.B. No. 1452**

The purpose of this measure is to require the Department of Health to take soil samples within five hundred meters of all military bases at least once every three months to monitor the levels of depleted uranium contamination.

Your Committee received testimony in support of this measure from a Hawaii County Councilmember, Maui Peace Action, Malu Aina Center of Non-violent Education and Action, Hawaiian Political Action Council of Hawaii, and numerous individuals. The Department of Health submitted testimony in opposition to this measure, citing its lack of staffing, instrumentation, and operating costs to conduct the required soil sampling.

Your Committee is concerned that there is not sufficient information relating to the presence and detection of depleted uranium in the State and of the dangers of depleted uranium and its effects on human and animal life. What is happening in areas of exclusive federal jurisdiction and out of the State's control may have lasting detrimental impacts on the environment and the health and safety of Hawaii residents. Your Committee herein requests that the Department of Health give serious consideration to this matter and engage the Attorney General as to how best to protect public health and safety. Given the grave seriousness of this public health issue, although this measure is inadequate to address the issue, your Committee finds it necessary to keep this vehicle alive to ensure further discussion on this matter.

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. 1452 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 494 Energy & Environmental Protection on H.B. No. 226**

The purpose of this measure is to appropriate funds to the Department of Health in order for the Department to prepare the Hawaii comprehensive clean air plan.

Testimony in support of the measure was received from the Honolulu Seawater Air Conditioning, LLC, and the Conservation Council for Hawaii. Testimony in opposition to the measure was received from the Department of Health. Comments on the measure were received from the Department of Business, Economic Development, and Tourism, the Western States Petroleum Association, and Life of the Land.

Your Committee has amended this measure by deleting its contents and replacing it with a proposal to establish a new chapter on greenhouse gas emissions reduction to be administered by the Department of Health. The new chapter requires the Director of Health to determine what the statewide greenhouse gas emissions level was in 1990, and to use that 1990 emissions level as the statewide greenhouse gas emissions limit that the State must achieve by the year 2020. The new chapter also requires the Director of Health to adopt rules by which the maximum technologically feasible and cost-effective greenhouse gas emission reductions may be achieved.

Furthermore, this bill was also amended to appropriate funds out of the environmental response revolving fund for the Director of Health to administer the greenhouse gas emissions reduction requirements.

Your Committee finds that this measure will encourage investments in the development of innovative and pioneering technologies that will assist the State in reducing greenhouse gas emissions.

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. 226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 226, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 495 Energy & Environmental Protection on H.B. No. 644**

The purpose of this measure is to create a bioenergy master plan task force that is charged with developing a bioenergy master plan for Hawaii.

More specifically, the bill would require the task force, composed of a wide array of government, industry, educational, and agricultural groups, to obtain input from stakeholders and bioenergy professionals. The task force would also be required to submit an interim report, and any proposed legislation, to the 2008 regular session of the legislature and a final report, together with the master plan and any proposed legislation, to the 2009 regular session of the legislature.

Your Committee received testimony in support of this measure from the University of Hawaii, Hawaiian Electric Company, and the Hawaii Energy Policy Forum. Life of the Land submitted testimony in opposition. The Department of Agriculture and the Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of the measure. The State Procurement Office and the Office of Information Practices submitted comments on the measure.

Your Committee finds that development of a bioenergy master plan is an essential component of the efforts to establish energy independence for Hawaii. Your Committee also finds that, while the proposed task force could benefit these efforts, valuable funding should be directed to the preparation of the master plan instead of managing the needs of a task force. The desire to engage stakeholders through a task force could be achieved more efficiently through a process of a stakeholder engagement embedded in the preparation of the master plan itself.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would establish the bioenergy master plan task force;
- (2) Requiring the Department of Business, Economic Development, and Tourism to develop and prepare the bioenergy master plan; and
- (3) Increasing the appropriation for development and preparation of the bioenergy master plan from \$200,000 to \$500,000.

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. 644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 644, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 496 Energy & Environmental Protection/Agriculture on H.B. No. 1641**

The purpose of this measure is to limit the distribution and application of restricted pesticides used for structural pest control to pest control operators licensed by the Department of Commerce and Consumer Affairs.

More specifically, the measure prohibits pesticide dealers from selling restricted use pesticides to any applicator who is not employed or supervised by a licensed pest control operator. Additionally, the measure requires dealers to confirm that the pest control operator is validly licensed.

The Department of Agriculture and the Hawaii Pest Control Association submitted testimony in support of the bill.

Your Committees have amended this measure by incorporating amendments suggested by the Department of Agriculture to establish a shared responsibility on pesticide applicators for the appropriate use and application of restricted pesticides by:

- (1) Changing the term defined from "structural pesticide applicator" to "pest control operator;"
- (2) Clarifying the pesticide dealer's restriction on the sale of restricted use pesticides by requiring that the person who buys or orders such pesticides be certified in certain structural pest control categories and employed by a pest control operator or under the supervision of a certified applicator who is employed by a pest control operator;
- (3) Limiting the use or application of restricted use pesticides to individuals who are certified in certain structural pest control categories and employed by a pest control operator; and
- (4) Removing the requirement for pesticide dealers to confirm the validity of pest control operators' licenses once every one hundred twenty days.

Finally, technical nonsubstantive amendments have been made for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1641, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1641, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 497 Legislative Management on H.B. No. 825**

The purpose of this bill is to support efforts to develop a comprehensive public policy to strengthen support for family caregivers who care for the elderly who have physical or cognitive disabilities. This bill:

- (1) Extends the life of the Joint Legislative Committee on Family Caregiving (Committee) to June 30, 2008;
- (2) Directs the Committee to explore establishing a paid family leave program under the state temporary disability insurance law; and
- (3) Broadens the definition of "family caregivers" to include caregivers unrelated to the care recipient and grandparents who care for their disabled grandchildren who are 18 or younger.

ILWU Local 142, Policy Board for Elder Affairs, Child and Family Service, Hawaii Aging Advocates Coalition, National Multiple Sclerosis Society, Hawaii Alliance for Retired Americans, Kokua Council, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 825 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 498 Legislative Management on H.B. No. 1440**

The purpose of this bill is to clarify that the Office of the Ombudsman has jurisdiction to investigate the contractual acts of any correctional facility with which the Department of Public Safety (DPS) has contracted to hold persons committed to the custody of the Director of Public Safety.

The League of Women Voters of Hawaii, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and two concerned individuals testified in support of this bill. DPS opposed this measure. The Office of the Ombudsman offered comments.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1440, 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. 1440, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 499 Labor & Public Employment on H.B. No. 18**

The purpose of this bill is to allow for greater flexibility for the Hawaii Teacher Standards Board (HTSB) by:

- (1) Authorizing HTSB to suspend temporarily its rules, policies, and standards in extenuating circumstances; and
- (2) Authorizing HTSB to amend licensing-related fees and set or amend other charges related to the performance of its duties.

The University of Hawaii, and a concerned individual testified in support of this bill. The Department of Education supported the intent of this measure.

Your Committee finds that HTSB needs flexibility in its operations in licensing more than 12,000 teachers statewide. This flexibility will allow HTSB to act more quickly in issuing teaching licenses and help address the teacher shortages that plague Hawaii's educational system.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 18 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 500 Labor & Public Employment on H.B. No. 24**

The purpose of this bill is to provide greater incentives for teachers certified by the National Board for Professional Teaching Standards to work at schools that are restructuring under the No Child Left Behind Act by giving these teachers an additional \$5,000 bonus per year.

The University of Hawaii and a concerned individual testified in support of this bill. The Department of Education and Hawaii State Teachers Association supported the intent of this measure.

Your Committee finds that offering monetary incentives to nationally certified teachers to teach at schools undergoing restructuring under the No Child Left Behind Act will help alleviate the shortage of teachers in these high need areas.

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

Signed by all members of the Committee.

**SCRep. 501 Labor & Public Employment on H.B. No. 33**

The purpose of this bill is to ensure that public funds used for contracted services provide a living wage to the persons providing the services by:

- (1) Establishing a living wage of \$9.43 an hour, to be recalculated every year by the Department of Labor and Industrial Relations (DLIR);
- (2) Requiring that contractors pay at least the living wage to employees providing services under the contract; and
- (3) Providing for enforcement of the law.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this bill. The Arc in Hawaii testified in opposition to this measure. DLIR commented on this bill.

Your Committee finds that when government funds are being used to pay wages, these wages should, at a minimum allow the persons providing these services under the contract to live at or above the federal poverty level.

However, your Committee finds that this measure may have the effect of reducing the ability of nonprofits to provide services to the needy and respectfully requests the Committee on Finance to examine this issue further.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2009, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 33, 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. 33, H.D. 2.

Signed by all members of the Committee except Representative Har.

**SCRep. 502 Labor & Public Employment on H.B. No. 867**

The purpose of this bill is to allow public employers and public employee unions to include workers' compensation coverage and benefits in their collective bargaining negotiations.

The Department of Labor and Industrial Relations, Department of Human Resources Development, and Hawaii State Teachers Association testified in support of this bill. ILWU Local 142 submitted comments on this measure.

Currently, workers' compensation coverage and benefits are precluded from collective bargaining negotiations. Allowing collective bargaining negotiations to include workers' compensation coverage options and benefits also would have a positive effect on the oftentimes adversarial nature of the workers' compensation system. Your Committee finds that negotiations over workers' compensation items have been conducted in the private sector with success and that these agreements have often resulted in higher patient satisfaction, better quality treatment, and lower employer costs.

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

Signed by all members of the Committee.

**SCRep. 503 Labor & Public Employment on H.B. No. 1294**

The purpose of this bill is to allow the Board of Trustees of the Employer-Union Health Benefits Trust Fund (EUTF) to better manage the EUTF by providing an appropriate, cost-neutral adjustment of the base monthly contributions for retiree benefit plans, in the event the EUTF Board of Trustees adopts a revised rate structure for its retiree benefit plans.

EUTF and Department of Budget and Finance testified in support of this bill.

Your Committee finds that allowing the public employers' base monthly contributions to be adjusted to reflect pending or future changes in the retiree rate structure will eliminate the potential for confusion and the overpayment or underpayment of premiums that might occur under the current system whenever the Board of Trustees of the EUTF amends the rate structure of its retiree health benefits plan.

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. 1294 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 504 Labor & Public Employment on H.B. No. 758**

The purpose of this bill is to:

- (1) Clarify Hawaii's Wage and Hour Law by including persons whose employment is governed by the Federal Fair Labor Standards Act in the definition of "employee"; and
- (2) Require employers to allow rest or meal periods for employees that work more than five consecutive hours.

The Hawaii State AFL-CIO; Hawaii State Teachers Association; ILWU Local 142; Unite Food & Commercial Workers Union Local 480 CTW; UNITE HERE! Local 5 Hawaii; and the Chair and Vice Chair of the Oahu County Committee of the Democratic Party of Hawaii testified in support of this bill. The Department of Labor and

Industrial Relations; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; Maui Electric Company, Inc.; Retail Merchants of Hawaii; and The Hawaii Business League testified in opposition to this measure. Convanta Energy Corporation submitted comments.

Although the provision of meal or rest breaks is a common practice of employers, your Committee finds that neither Hawaii state nor federal wage and hour laws currently require employers to provide employees over the age of 16 with any meal break, regardless of how many consecutive hours the employees may be required to work.

However, your Committee understands the concerns raised regarding the effect this may have on Hawaii's small businesses. Accordingly, your Committee has amended this measure by:

- (1) Stipulating that the provision of a meal break shall only apply to employers employing fifty or more employees; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representative Har.

**SCRep. 505 Labor & Public Employment on H.B. No. 1082**

The purpose of this bill is to repeal the authorization given to certain county boards of water supply to conduct an experimental human resources modernization project (EMP) without the approval of the county's mayor.

Two individuals testified in support of this bill. The Honolulu Board of Water Supply (BWS), United Public Workers, Hawaii Government Employees Association, and an individual testified in opposition to this measure.

Act 40, Session Laws of Hawaii 2003 (Act 40), enabled a board of water supply that served at least 500,000 persons to transform itself into a more efficient provider of water services. As agencies with a certain amount of autonomy and which have their own stable source of revenue, it was believed that county boards of water supply were in an excellent position to conduct an EMP.

However, your Committee notes that questions have been raised regarding the efficiency and management of the EMPs being conducted by BWS. Moreover, a recent report by the City Auditor was highly critical of BWS operations, including the management of EMPs authorized under Act 40. While your Committee finds that EMPs offer agencies a means to become more efficient, concerns regarding issues raised by the City Auditor warrant further discussion.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a provision repealing the authority to establish EMPs on July 1, 2008 to allow for further review of EMPs;
- (2) Changing its effective date to July 1, 2059, to facilitate further discussion;
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1082, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1082, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nishimoto, Souki, Takumi and Pine.

**SCRep. 506 Labor & Public Employment on H.B. No. 1500**

The purpose of this bill is to adjust the benefit amounts paid to employees from the unemployment insurance trust fund and the contribution rates for employers.

The Chamber of Commerce of Hawaii and the National Federation of Independent Business testified in support of this measure. The Hawaii State AFL-CIO supported the intent of this bill. The Department of Labor and Industrial Relations and the ILWU Local 42 testified in opposition to the measure.

Your committee finds that due to low unemployment rates in Hawaii, the level of reserves in the unemployment insurance trust fund is high. This measure seeks to provide relief for employers and also increased benefits for employees. Your committee also finds that it is necessary to ensure that an adequate level of reserves exists in the trust fund, and thus attempts to balance relief for employers and increased benefits for employees against the need to maintain an adequate level of trust fund reserves.

Your committee has amended this measure by:

- (1) Increasing the maximum weekly benefit allowance from 75 percent to 80 percent of the average weekly wage;
- (2) Adding a provision which increases the maximum weekly benefit amount to \$150.00; and
- (3) Adding a provision which repeals this measure five years from the effective date.

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. 1500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1500, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 507 Consumer Protection & Commerce on H.B. No. 275**

The purpose of this measure is to protect student-athletes and educational institutions from potentially unscrupulous practices of athlete agents.

More specifically, this bill is based on the Uniform Athlete Agents Act which proposes to regulate the dealings of athlete agents with students regarding agency contracts. Among other things, the Uniform Athlete Agents Act:

- (1) Requires athlete agents to register with the Department of Commerce and Consumer Affairs;
- (2) Specifies conditions under which athlete agents may be denied a certificate of registration, or have their certificates suspended or revoked;

- (3) Specifies the elements of an agency contract;
- (4) Requires athlete agents to notify the student's educational institution that the student has entered into an agency contract; and
- (5) Specifies prohibited conduct and classifies such conduct as a misdemeanor.

Your Committee received testimony in support of this measure from the University of Hawaii, the Department of Education, and the Commission to Promote Uniform Legislation. Testimony in opposition to the measure was received from the Department of Commerce and Consumer Affairs.

Your Committee finds that the measure is based on a uniform law that has been enacted in at least thirty-six jurisdictions. This measure is necessary to protect both the student athletes and their academic institutions from the potential loss of intercollegiate eligibility as a result of entering into an athlete-agent contract.

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

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

**SCRep. 508 Consumer Protection & Commerce on H.B. No. 938**

The purpose of this bill is to separate the Board of Electricians and Plumbers into a Board of Plumbers and a Board of Electricians. This bill also creates separate regulations of electricians and plumbers in two chapters of the Hawaii Revised Statutes.

The International Brotherhood of Electrical Workers Local Union No. 1186, American Society of Safety Engineers Hawaii Chapter, Ken Nakamura & Associates, KH Electric, Inc., Masuda Enterprises, Inc., Electrical Contractor's Association of Hawaii, Ron's Electric, Inc., Brilliant Ideas, Inc., Designer Built Systems, Inc., and two concerned individuals testified in support of this bill. The Board of Electricians and Plumbers, Plumbing & Mechanical Contractors Association of Hawaii, Laborers' Union Local 368, Plumbers and Fitters Union Local 675, and Laborers-Employers Cooperation and Education Trust opposed this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 938 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, Morita and Thielen.

**SCRep. 509 Consumer Protection & Commerce on H.B. No. 966**

The purpose of this bill is to diversify the membership of the Contractors License Board (Board) by requiring at least three members of the Board to be appointed from a list of nominees submitted by:

- (1) The Speaker of the House of Representatives; and
- (2) The President of the Senate.

The Sheet Metal Workers Union Local 293; Elevator Constructors Union Local 126; and the Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. The Board submitted comments.

Your Committee finds that this bill seeks to ensure that the Board's membership represents a diversity of backgrounds in the construction industry.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 966, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 966, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 510 Consumer Protection & Commerce on H.B. No. 1338**

The purpose of this bill is to ensure reliable electric service for consumers by making emergency appropriations for the Division of Consumer Advocacy (Consumer Advocate) of the Department of Commerce and Consumer Affairs to investigate the power outages that occurred on October 15, 2006, on the islands of Oahu, Maui, and Hawaii.

The Consumer Advocate and Public Utilities Commission (PUC) testified in support of this bill.

Following the major power outages triggered by the Kiholo Bay Earthquakes on October 15, 2006, the Consumer Advocate requested PUC to open a formal investigation into whether Hawaiian Electric Company, Inc., and its subsidiaries acted reasonably and in the public interest prior to and during the power outages. Your Committee finds that this measure will enable the Consumer Advocate to conduct an independent analysis complementing PUC's ongoing investigation.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified sums, 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1338, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Green, Ito, Morita, Souki, Yamane and Thielen.

**SCRep. 511 Consumer Protection & Commerce on H.B. No. 1833**

The purpose of this bill is to prohibit the practice of mandating the use of certain surety producers or surety insurers by applicants when a bid, payment, or performance bond is required to ensure the performance of any real property construction contract.

The Hawaii Surety Association, General Contractors Association of Hawaii, First Insurance Company of Hawaii, Ltd., King & Neel, Inc., and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1833 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 512 Consumer Protection & Commerce on H.B. No. 1306**

The purpose of this bill is to protect Hawaii's senior citizens by establishing enhanced administrative and civil penalties for securities violations committed against elders.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this bill. AARP Hawaii supported the intent of this measure. The Hawaii Bankers Association and Escrow Association of Hawaii opposed this bill.

Your Committee finds that investment fraud committed against elders is of particular concern in that this demographic holds savings and investment assets that frequently attract con artists. In some cases, elders can be susceptible to investment fraud due to incapacities. This bill affords senior citizens greater protections by providing additional monetary penalties for committing securities violations against persons 62 years of age or older.

Your Committee has amended this measure by providing that the new administrative and civil penalties do not apply to registered securities dealers for failing to reasonably supervise others committing securities violations.

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. 1306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1306, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 513 Consumer Protection & Commerce on H.B. No. 1313**

The purpose of this bill is to update the Code of Financial Institutions to eliminate obsolete requirements, make technical corrections, and improve the procedures for the licensing and regulation of financial institutions.

The Department of Commerce and Consumer Affairs testified in support of this bill. The Hawaii Financial Services Association, Hawaii Bankers Association, and Escrow Association of Hawaii opposed this measure. The Hawaii Credit Union League submitted comments.

Your Committee has amended this measure by deleting the provisions that:

- (1) Require financial institutions to file with the Commissioner of Financial Institutions written notice of any security breach involving the personal information of individuals; and
- (2) Create new definitions for "fixed-rate loan", "step-rate loan", and "variable rate loan".

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. 1313, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1313, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 514 Consumer Protection & Commerce on H.B. No. 1335**

The purpose of this bill is to conform the osteopathy licensing laws to those governing physicians.

More specifically, this bill adds provisions regarding educational teaching licenses, training replacement temporary licenses, the duty to report wounds, consent to a postmortem examination, the intentional termination of a pregnancy, exemptions from licensure, limited and temporary licenses, continuing education, and denials of licenses for osteopaths.

The Board of Medical Examiners and the Hawaii Medical Association submitted testimony in support of this measure.

Your Committee finds that the Board of Medical Examiners regulates the licensing procedures for both doctors of medicine and doctors of osteopathy.

Since both kinds of doctors are similar in many respects, including their scope of practice, your Committee finds that they should be subject to regulation in as uniform a manner as possible. This measure incorporates into the osteopathy law provisions that currently are applicable only to medical doctors, thereby promoting uniformity of the regulatory structures.

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. 1335 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 515 Consumer Protection & Commerce on H.B. No. 10**

The purpose of this measure is to make the Rx plus prescription drug program more effective.

The bill accomplishes this by:

- (1) Requiring drug manufacturers that sell prescription drugs to enter into a rebate program with the Department of Human Services; and
- (2) Requiring the Department of Human Services to provide health care providers with drug costs for manufacturers who enter rebate agreements compared to the costs for manufacturers who do not enter rebate agreements.

AARP Hawaii, Hawaii Alliance for Retired Americans, Kokua Council, Policy Advisory Board for Elder Affairs, Public Health Committee of Faith Action for Community Equity, and ILWU Local 142 submitted testimony in support of the measure. The Pharmaceutical Research and Manufacturers of America submitted testimony in opposition to the measure, while the Department of Human Services submitted comments.

Your Committee finds that the Rx plus program was established to provide access to affordable prescription drugs to Hawaii residents. Current law authorizes, but does not require, rebate agreements with drug manufacturers. By requiring drug manufacturers who do business in the State to provide quarterly rebates to the Department of Human Services, your Committee finds that prescription drugs may be made available at prices lower than those currently offered through Rx plus. The required disclosure of drug cost comparisons provides an added incentive for manufacturers to participate in a rebate agreement. Hawaii residents deserve the State's best efforts to obtain reasonably priced prescription drugs.

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

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

**SCRep. 516 Consumer Protection & Commerce on H.B. No. 1118**

The purpose of this bill is to mandate health insurance coverage for prostate cancer and colorectal cancer screening by all health and accident insurers, mutual benefit societies, and health maintenance organizations in the State.

Colorectal cancer is the second leading cause of death among native Hawaiians and the second leading cause of cancer death in the United States. However, colorectal cancer screening can provide detection of precancerous polyps and early carcinomas resulting in either less extensive surgery or only simple colonoscopic extraction in many cases so that no person diagnosed with these lesions need suffer and die from colon cancer.

Your Committee finds that this measure will protect the health of residents of the State by preventing unnecessary deaths from prostate cancer and colon cancer.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Association of Hawaiian Civic Clubs, Pearl Harbor Hawaiian Civic Club, and one individual. Kaiser Permanente submitted testimony in opposition to this measure, while the Insurance Commissioner and Hawaii Medical Service Association submitted comments.

Your Committee believes that the health coverage for prostate cancer and colorectal cancer screening required by this bill will not only save lives but also prove to be cost-effective by preventing the need for more extensive and expensive medical procedures.

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. 1118 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 517 Consumer Protection & Commerce on H.B. No. 1359**

The purpose of this bill is to improve the efficiency and effectiveness of Hawaii's two prescription drug programs, thereby further reducing the cost of prescription drugs for Hawaii's uninsured, underinsured, low-income, elderly, and disabled residents.

Specifically, this bill combines the Rx plus program, intended to help a large population of Hawaii residents, regardless of age, to take advantage of discounted prices for their prescription drug needs when no other insurance or payor are available to them and the state medicare part D state pharmacy assistance program, which covers the co-payments for medicare and medicaid dual-eligible clients to ensure a smooth transition of prescription drug coverage from medicaid to medicare.

This bill also appropriates \$50,000 for the Department of Human Services to study the size of the target population, utilization data, and other information as needed in order to identify the amount of the appropriation needed to implement the secondary discount price and other costs of the program.

Your Committee received testimony in support of this bill from the Department of Human Services and the National Multiple Sclerosis Society. AARP Hawaii offered comments.

Your Committee finds that both the Rx plus program and the state pharmacy assistance program are recognizable under federal law as state pharmacy assistance programs and, if they are combined under an umbrella program and approved as a single federally recognized program, could receive enhanced benefits from the federal Centers for Medicare and Medicaid Services. The state pharmacy assistance program would remain the same and its enrollees would be identified as "tier one enrollees". The Rx plus program would remain the same and their enrollees would be identified as "tier two enrollees". In addition, this bill would provide prescription drug assistance for a subset of the Rx plus program population, identified as "tier three enrollees" who may be at risk of becoming medicaid-eligible.

Your Committee also finds that the consolidation of the two pharmacy assistance programs will increase the efficiency and effectiveness of the operation of the programs as well as increase the State's power to negotiate larger drug discounts.

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. 1359 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 518 Consumer Protection & Commerce on H.B. No. 1478**

The purpose of this bill is to provide necessary medical prescriptions to senior citizens in need by expanding the eligibility for the State Pharmacy Assistance Program.

More specifically, this measure repeals an asset test, increases eligibility by raising the household income ceiling, mandates State Pharmacy Assistance Program applicants to enroll in the Medicare Part D benefits program, assists enrollees in joining and changing plans, and authorizes the use of program funds to be expended on certain enrollee costs that are not covered under the Medicare Plan D program.

AARP Hawaii and the Hawaii Aging Advocates Coalition submitted testimony in support of this measure.

Currently, the State Pharmacy Assistance Program can not fully support low-income senior citizens in need of medical prescriptions. Some senior citizens can not afford the costs for prescriptions because they lack sufficient funds and do not meet certain criteria, such as the asset test or they have a household income of more than one hundred fifty per cent of the federal poverty level, making them ineligible to participate in the State Pharmacy Assistance Program.

Your Committee finds that repealing the asset test and raising the household income ceiling from one hundred fifty to two hundred fifty per cent of the federal poverty level permits the State Pharmacy Assistance Program to provide senior citizens in need with necessary medical prescriptions.

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. 1478, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 519 Consumer Protection & Commerce on H.B. No. 522**

The purpose of this measure is to exempt from the general excise tax amounts paid by car rental companies to a related entity for the lease of motor vehicles used in car rental operations.

The Department of Taxation submitted comments on 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. 522, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 520 Tourism & Culture on H.B. No. 1020**

The purpose of this bill is to support efforts to provide a skilled, highly-trained workforce for the hospitality industry by appropriating funds to support Hawaiian hospitality training programs for workforce development on the islands of Hawaii, Kauai, and Maui, under the condition that only an amount that is equal to half of the amount invested by the Hawaii Tourism Authority (HTA) in Hawaiian hospitality training programs for workforce development is to be appropriated.

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

Your Committee finds that this measure is intended to address the specific needs of the Neighbor Islands with respect to the Hawaiian hospitality training programs for workforce development. The island of Oahu may be considered after the needs of the Neighbor Islands are met.

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. 1020 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ching and Marumoto.

**SCRep. 521 Tourism & Culture on H.B. No. 1017**

The purpose of this bill is to provide Hawaii's tourism workforce with a voice on the Board of Directors of the Hawaii Tourism Authority (Board of HTA) by requiring that at least one public, voting member of the Board of HTA represent local labor organizations in the state.

UNITE HERE! Local 5 supported the intent of this bill. The Hawaii Hotel & Lodging Association did not support this measure. HTA opposed this bill.

Your Committee has amended this measure by changing its effective date to January 1, 2025, to encourage further discussion.

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. 1017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 522 Tourism & Culture on H.B. No. 1718**

The purpose of this bill is to provide the Legislature with information regarding the impact of the cruise industry on Hawaii by requiring the Department of Business, Economic Development, and Tourism (DBEDT), in conjunction with the Department of Transportation (DOT), Department of Land and Natural Resources (DLNR), and the Hawaii Tourism Authority (HTA), with input from the cruise industry, to undertake a cost and benefit analysis of the cruise industry in Hawaii.

DOT, DLNR, HTA, County of Kauai, North West CruiseShip Association, Princess Cruises, Hawaii Hotel & Lodging Association, and Sierra Club, Hawaii Chapter, supported this bill. DBEDT, NCL America, and Retail Merchants of Hawaii supported the intent of this measure.

Your Committee finds that this measure will assist the Legislature in making policy decisions with respect to the cruise industry. Your Committee notes that the analysis includes the cost and benefits to each individual county, as well as to the State as a whole. Your Committee encourages further discussion on whether the counties should provide input in conducting the analysis.

Your Committee has amended this measure by:

- (1) Inserting the Department of Health in the list of state agencies that DBEDT is to work with in conducting the cost and benefit analysis;
- (2) Changing its effective date to January 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1718, 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. 1718, H.D. 2.

Signed by all members of the Committee except Representatives Ching and Marumoto.

**SCRep. 523 Economic Development & Business Concerns on H.B. No. 1479**

The purpose of this bill is to increase parity in the availability of health insurance coverage for employers by expanding the requirement that health insurers offer group health insurance to all small employers whose employees live and work in the insurer's service areas, to include sole proprietors and small businesses with part-time employees working 20 hours or more per week.

The Insurance Commissioner of the Department of Commerce and Consumer Affairs and Hawaii Association of REALTORS supported this bill. Kaiser Permanente and Hawaii Medical Service Association commented.



This law would provide to sole proprietors and small businesses with part-time employees, group health insurance without pre-existing condition exclusions and at a lower price. However, your Committee recognizes the concern that this group, as voluntary participants who are not covered by the Prepaid Health Care Act, could increase costs to the current pool of participants by purchasing health coverage when they need the services, and choosing not to purchase coverage if they are healthy.

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. 1479, H.D. 1, and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Berg.

**SCRep. 524 Economic Development & Business Concerns on H.B. No. 1268**

The purpose of this bill is to prepare the highly skilled workforce necessary for a new economy through programs to develop science, technology, engineering, and mathematics (STEM) skills in students in the public schools and at the University of Hawaii (UH). This bill establishes:

- (1) A Hawaii Excellence through Science and Technology (HiEST) Academy Program focusing on STEM skills in public high school students and enabling these students to enter college without the need for remediation in these subjects;
- (2) The Fostering Inspiration and Relevance Through Science and Technology (FIRST) Pre-academy Program to stimulate interest and achievement in STEM subjects and prepare middle school students for entry into HiEST;
- (3) A Research Experience for Teachers Program administered by the UH College of Engineering in coordination with the FIRST Program to support development of public middle school teacher skills, knowledge, and curriculum materials in STEM subjects with a focus on wireless communications;
- (4) A professional development program in UH for public school science and mathematics teachers from elementary through high school to increase their knowledge of recent developments and best practices in science, technology, and mathematics;
- (5) Continued funding for the stipends provided by the Transition to Teaching Program to encourage persons with degrees in STEM subjects to obtain teaching certificates through UH's post baccalaureate certificate in secondary education program;
- (6) The Business and Education Internship and Mentorship Program to provide experiential learning arrangements within the for-profit, nonprofit, and government sectors, for public high school students and college students attending college in Hawaii and elsewhere; and
- (7) The Eminent Scholars Program to provide matching funds to establish at least five permanently endowed chairs in science, technology, engineering, and mathematics at UH.

The bill also appropriates funds to implement the new programs.

The Governor, Department of Business, Economic Development, and Tourism, and several concerned individuals supported this measure. The Department of Education and UH supported the intent of this bill.

Your Committee believes that the systemic approach taken by this bill is essential if we are to instill in our youth, and within our educational system and community, the interest, experiences, and knowledge necessary to support careers in the higher-paying, high technology business sector. Your Committee notes that the STEM Scholarship Program was included in H.B. No. 1268, but not in the H.D.1 of the bill. The Governor requested that this program be reinstated as an important component of the system established by the bill, that would have provided graduates of HiEST academies with college scholarships to pursue STEM degrees or certificates in approved STEM disciplines.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to encourage further discussion of the measure; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1268, 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. 1268, H.D. 2.

Signed by all members of the Committee except Representative Berg.

**SCRep. 525 Economic Development & Business Concerns on H.B. No. 916**

The purpose of this bill is to evaluate the usefulness of lifelong learning accounts in workforce development by authorizing the Department of Business, Economic Development, and Tourism (DBEDT) to establish a pilot program using these accounts to support retraining and education of workers in the State's health care sector.

The Department of Labor and Industrial Relations and Workforce Development Council supported this bill. DBEDT supported the intent of this measure.

Your Committee finds that the development of a highly skilled workforce is necessary if Hawaii is to stay competitive and continue to expand the higher-paying sectors of its economy. Your Committee has amended this bill by:

- (1) Replacing the lifelong learning pilot program for healthcare workers in this bill with the more comprehensive program in H.B. No. 1280, which allows lifelong learning accounts to be established in any field of employment; and
- (2) Inserting the Kama'aina Come Home Program from H.B. No. 1280, which will conduct a series of events in selected mainland United States cities to recruit former Hawaii residents with high-demand work skills back into jobs in Hawaii's economy.

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. 916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 916, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 526 Economic Development & Business Concerns on H.B. No. 1659**

The purpose of this bill is to ensure that funds solicited by government to cover the costs and expenses of a state-sponsored enterprise, including trips and other endeavors to generate business opportunities and goodwill for the State, are expended fairly and openly, and subject to competitive procedures, by providing that these funds must be deposited into the general fund, disbursed by legislative appropriation, and expended under the procurement code.

The Department of Business and Economic Development and Tourism (DBEDT), and High Technology Development Corporation opposed this bill. The Department of Agriculture commented.

Your Committee understands that this bill targets trade show activities coordinated by state agencies such as DBEDT, where participants from the business community are responsible for offsetting part of the costs of booths, equipment, and other related expenses. To allow this valuable public-private partnership to continue, while increasing transparency and accountability in this government endeavor, your Committee has amended this bill by appropriating \$50,000 as seed money for initial costs and expenses of this marketing program, and respectfully requests the Committee on Finance to evaluate the appropriateness of the dollar amount. Technical nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1659, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 527 Economic Development & Business Concerns on H.B. No. 1897**

The purpose of this bill is to ensure the prudent stewardship of public funds by:

- (1) Requiring taxpayers claiming the High Technology Business Investment Tax Credit to submit employee and other information about the taxpayer's business to the Department of Taxation (DoTax);
- (2) Requiring the Auditor to determine the economic impact of the tax credit based on DoTax's information and any related data maintained by the Department of Labor and Industrial Relations, and report findings and recommendations to the Legislature; and
- (3) Reducing the percentage of investments that qualify for the tax credit as well as the maximum credit allowed in the first three years of the five year credit period.

The Hawaii Science & Technology Council, Oceanit, Hawaii Aquaculture Association, Honolulu Seawater Air Conditioning, LLC, August Enterprises Inc., People Bridge Hawaii Crop Improvement Association, Ocean Engineering & Energy Systems International, LLC, Pipeline Communications and Technology, Inc., Navatek Ltd., Applied Marine Solutions, Maui Economic Development Board, Inc., Cellular Bioengineering, Inc., SEE/RESCUE Corporation, PacificCap Group, and several concerned individuals opposed this bill.

Your Committee respectfully requests the Committee on Finance to examine the financial impact of this bill. Your Committee has amended the measure to encourage further discussion of the issues by removing the new percentages and maximum credit amounts proposed by this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1897, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 528 Economic Development & Business Concerns/Energy & Environmental Protection on H.B. No. 334**

The purpose of this bill is to decrease Hawaii's dependence on oil and increase its use of renewable resources by authorizing special purpose revenue bonds (SPRBs) to be issued to assist Sopogy, Inc., to plan, build, and operate a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority (NELHA) site on the island of Hawaii.

Sopogy, Inc., Hawaii Renewable Energy Alliance, and Hawaii Island Economic Development Board supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committees find that space limitations at NELHA may prevent Sopogy from securing the land needed for its solar farm project. Accordingly, to allow Sopogy to move forward with its project, your Committee has amended this bill to allow SPRB funds to be used at suitable sites other than the NELHA site.

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

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 334, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 334, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ching, Marumoto and Thielen.

**SCRep. 529 Higher Education on H.B. No. 428**

The purpose of this bill is to increase the educational capital of the state regarding, among other things, significant issues confronting Hawaii, policies and proposals that secure money for the state, and services for the poor. Specifically, this bill supports the work of the Center on the Family at the University of Hawaii by appropriating funds for its operations.

The Homeless Programs Branch of the Hawaii Public Housing Authority, Hawaii Women Work!, Catholic Charities Hawaii, Healthy Mothers, Healthy Babies Coalition of Hawaii, Ka Hale Pomaikai, and a concerned individual testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 428, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 530 Consumer Protection & Commerce on H.B. No. 1047**

The purpose of this bill is to include marriage and family therapy among the mental illness, alcohol, and drug dependence benefits required under the hospital and medical coverage offered under accident and sickness insurance policies and similar insurance products.

Bobby Benson Center, Argosy University, Mental Health Kokua, Hale Ipu Kukui Alaka'i, Hawaii Association for Marriage and Family Therapy, Mental Health America of Hawaii, and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Affairs opposed this bill. A concerned individual submitted comments.

Your Committee finds that this measure will increase access to important mental health services provided by marriage and family therapists. However, your Committee notes that concerns were raised regarding the requirement that DCCA submit reports on the economic impact of providing coverage for marriage and family therapists as specified in this bill.

Therefore, your Committee has amended this measure by:

- (1) Deleting the provision requiring DCCA to submit reports on the economic impacts of providing coverage for marriage and family therapists; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1047, 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. 1047, H.D. 2.

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

**SCRep. 531 Consumer Protection & Commerce on H.B. No. 1759**

The purpose of this bill is to clarify the definition of "contractor" under the Contractor Repair Act by deleting entities engaged in the business of selling a dwelling from the definition.

The Real Estate Commission, Hawaii Association of REALTORS, and BIA-Hawaii supported this bill. The Subcontractors Association of Hawaii submitted comments.

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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1759, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 532 Human Services & Housing/Health on H.B. No. 104**

The purpose of this bill is to more adequately reimburse health care providers who serve Medicaid clients by:

- (1) Updating to the 2006 Medicare fee schedule the basis used for establishing the Hawaii Medicaid fee schedule;
- (2) Requiring the rates under the Medicaid fee schedule to be adjusted annually for inflation;
- (3) Appropriating \$26,000,000 for payments to Medicaid fee-for-service providers, retroactive to 2001; and
- (4) Appropriating funds to increase the Medicaid fee schedule to 100 percent of the 2006 Medicare fee schedule.

The Hawaii Medical Service Association, Hawaii Primary Care Association, Chamber of Commerce of Hawaii, Hawaii Medical Association, Kaiser Permanente, and Hawaii Pacific Health (HPH) testified in support of this bill. The Department of Human Services (DHS) opposed this measure.

Your Committees recognize that DHS provided information to the Committees on the amount required to cover retroactive payment increases for the 2006 and 2007 fiscal years: \$23,150,213, of which \$9,827,265 is the State's share, and \$13,322,948 is federally matched funds. Your Committees also received information from HPH that the increases could amount up to \$31,000,000, of which \$13,508,898 are State funds and \$17,491,102 are federal funds, and respectfully request DHS to collaborate with HPH to ensure the correct amount of funding is being requested.

Accordingly, your Committees have amended this bill by:

- (1) Changing the appropriation for Medicaid fee-for-service practitioners to \$23,150,213 to cover payments during fiscal biennium 2005-2007; 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 & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 104, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 104, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative and Bertram.

**SCRep. 533 Human Services & Housing on H.B. No. 473**

The purpose of this bill is to assist individuals in achieving self-sufficiency by appropriating funds to the Bridge to Hope Program to accommodate new Temporary Assistance for Needy Families First-to-Work students to enable them to pursue educational activities beyond the new two-year federal limit.

The Hawaii State Commission on the Status of Women, University of Hawaii, Hawaii Chapter of the National Association of Social Workers, Welfare and Employment Rights Coalition, Community Alliance on Prisons, and many concerned individuals testified in support of this bill. The Department of Human Services provided comments.

Your Committee notes that an estimated \$2,000,000 per year is required to implement the provisions of this measure.

Your Committee has amended this bill by:

- (1) Clarifying the qualified recipients of the Bridge to Hope 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 473, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 534 Human Services & Housing on H.B. No. 1364**

The purpose of this bill is to expand participation in the State Rent Supplement Program (Program) by removing the \$160 per month cap on payments and expanding the income limits.

The Hawaii Public Housing Authority (HPHA) testified in support of this bill. Catholic Charities Hawaii, the Hawaii Family Forum, and Roman Catholic Church in the State of Hawaii supported this measure with amendments.

Your Committee finds that this is a very worthy program and publicity should be increased to allow for more participation. Additionally, your Committee respectfully requests HPHA to consider contracting with a private entity to administer the Program.

Your Committee has amended this bill by:

- (1) Allowing individuals and families living in transitional shelters, who are homeless, or on the public housing and section 8 wait lists to be eligible to be included in the Program wait list;
- (2) Requiring the income limit for Program eligibility to be up to 70 percent of the area median income; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1364, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 535 Human Services & Housing on H.B. No. 1409**

The purpose of this bill is to provide tax relief for households with dependents by:

- (1) Providing an additional personal exemption for dependents age 18 or younger of families with a federal adjusted gross income of \$200,000 or less; and
- (2) Increasing the dependent care employment-related expense credit expenditure ceiling to \$5,000 per dependent.

This bill also makes housekeeping amendments to conform to the Internal Revenue Code.

The State Administration and the Department of Taxation testified in support of this bill.

Under this bill, households would receive a \$1,000 exemption for each dependent 18 or younger when the adjusted gross income is \$100,000 or less. For households with adjusted gross incomes of between \$100,001 to \$200,000, the exemption per dependent is \$500.

Your Committee has amended this bill by:

- (1) Lowering the adjusted gross income limit from \$200,000 to \$150,000 for households to qualify for the exemption; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1409, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 536 Human Services & Housing on H.B. No. 1784**

The purpose of this bill is to create the offense of human trafficking whereby a person knowingly subjects or attempts to subject a person to labor or services through threats, extortion or various other means. This measure also establishes human trafficking as a violent crime and a crime subject to forfeiture provisions, and includes it as an activity that may constitute organized crime or racketeering activity.

The Department of the Attorney General, Crime Victim Compensation Commission, Hawaii State Commission on the Status of Women, Department of the Prosecuting Attorney for the County of Maui, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and a concerned individual testified in support of this bill. Na Loio – Immigrant Rights and Public Interest Legal Center and a concerned individual supported the intent of this measure. The Department of the Prosecuting Attorney for the City and County of Honolulu, Safe Zone Foundation, Girl Fest Hawaii, Equality Now, and several concerned individuals supported this bill with amendments.

Your Committee has amended this bill by, among other things:

- (1) Clarifying that sexual exploitation is not equated to legitimate labor or services;
- (2) Clarifying the conditions under which extortion is considered in the offense of human trafficking;
- (3) Removing provisions relating to financial harm and access to controlled substances;
- (4) Removing the definitions of "debt bondage," and "restraint";
- (5) Making any form of human trafficking a class A felony; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1784, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 537 Higher Education on H.B. No. 1531**

The purpose of this bill is to alleviate the current and anticipated shortage of nurses in Hawaii by appropriating funds to the University of Hawaii (UH) to:

- (1) Hire more nursing faculty and support positions;
- (2) Establish a graduate nursing faculty loan program;
- (3) Create a nursing student scholarship program; and
- (4) Increase facilities for nursing programs.

The Hawaii State Center for Nursing, UH Statewide Nursing Consortium, Hawaii Pacific Health, Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program, Healthcare Association of Hawaii, and two concerned individuals testified in support of this bill. UH and UH School of Nursing and Dental Hygiene supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Inserting an appropriation of \$400,000 for the Hawaii Quentin Burdick Rural Health Interdisciplinary Training 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1531, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 538 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1707**

The purpose of this bill is to strike a balance between the State's need to protect the natural, historical, and cultural resources of the state, and the ability of individuals with a direct kuleana to those resources or responsibility to protect the resources to have meaningful access to those resources, by authorizing the Department of Land and Natural Resources (DLNR) to disclose government information and records on the location of a cave and its resources to the Office of Hawaiian Affairs (OHA), appropriate island burial council, and the recognized descendants of the burials located within the land parcel on which the cave is located.

OHA and DLNR testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1707 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 539 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1442**

The purpose of this bill is to perpetuate the cultural heritage and truly Hawaiian lifestyle of the residents of Kalapana, one of the last Hawaiian settlements on the island of Hawaii, who were displaced by the 1983 volcanic eruptions and allowed to live in the Kikala-Keokea homestead area under similar conditions as in Kalapana under Act 314, Session Laws of Hawaii 1991, by authorizing the Department of Land and Natural Resources (DLNR) to award long-term leases for the remaining 19 lots at Kikala-Keokea to those residents who meet specific criteria.

DLNR, Office of Hawaiian Affairs, Hawaii County Economic Opportunity Council, Na Ohana o Kalapana, 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 & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1442 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 540 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 245**

The purpose of this bill is to provide access to existing documentation of archeological work of the Hawaiian archipelago by:

- (1) Establishing a Hawaii Archeological Data Survey (Survey) that consists of an online database; and
- (2) Designating the Survey as a program of the State of Hawaii Museum of Natural and Cultural History.

The Bishop Museum testified in support of this bill. The Office of Hawaiian Affairs supported this measure with amendments. The President of the Society for Hawaiian Archaeology opposed this bill.

Recognizing the concerns of disclosing sensitive information regarding certain archeological sites and artifacts, your Committee has amended this bill by:

- (1) Authorizing the State of Hawaii Museum of Natural and Cultural History, in consultation with the Office of Hawaiian Affairs, to withhold from the database, temporarily or permanently, information that is not required to be disclosed under section 92F-13(3), Hawaii Revised Statutes, due to a valid threat that disclosure may frustrate the legitimate government function of protecting valuable archeological sites and artifacts; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 245, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 541 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1201**

The purpose of this bill is to streamline the process for preparing the Office of Hawaiian Affairs' budget, by:

- (1) Allowing the Board of Trustees of the Office of Hawaiian Affairs to choose the best method of providing beneficiaries in each county with opportunities to participate in the preparation of each of its biennial and supplemental budgets; and
- (2) Eliminating the requirement that meetings be held in every county.

This bill also permits the Board of Trustees to publish the proposed budget on the Office of Hawaiian Affairs website for greater accessibility.

The Office of Hawaiian Affairs testified in support of this bill. A native Hawaiian beneficiary of the Office of Hawaiian Affairs opposed this measure.

Your Committee believes this bill deserves further deliberation. Accordingly, your Committee has amended this bill by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1201, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 542 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1353**

The purpose of this bill is to supplement the declining source of revenues from cultivated sugar lands currently deposited into the native Hawaiian Rehabilitation Fund to ensure there are sufficient funds to carry out the State's rehabilitation services for native Hawaiians, native Hawaiian families, and Hawaiian homestead communities, by authorizing the transfer of funds from the Hawaiian Home Receipts Fund into the Native Hawaiian Rehabilitation Fund.

The Department of Hawaiian Home Lands and the Office of Hawaiian Affairs testified in support of this bill.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1353, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1353, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 543 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1580**

The purpose of this bill is to begin implementation of the provisions of section 201.6 of the Hawaiian Homes Commission Act, relating to community-based governance on Hawaiian home lands by creating a Hawaiian Homestead Community Self-governance Task Force (Task Force).

Specifically, this bill requires the Task Force to report to the 2008 Legislature on the steps necessary for the State to delegate to a democratically-elected Hawaiian homestead community self-governance organization, authority relating to the administration of the Hawaiian Homes Commission Act, 1920, including:

- (1) The administrative powers and responsibilities to be delegated;
- (2) Criteria to determine the boundaries and location of a Hawaiian homestead community;
- (3) Criteria for eligibility to delegate authority to a self-governance organization;
- (4) Methods to establish a self-governance organization that meets the criteria for delegation; and
- (5) The contractual requirements necessary to ensure high quality services by the self-governance organization.

This bill also appropriates funds from the Native Hawaiian Rehabilitation Fund for this purpose.

The Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Ahupua'a o Molokai, State Council of Hawaiian Homestead Associations, and a beneficiary of the Hawaiian Homes Commission Act, 1920, testified in support of this bill. The Department of Hawaiian Home Lands supported the intent of this measure. The Waianae Kai Homestead Association, Nanakuli Hawaiian Homestead Community Association, and a beneficiary of the Hawaiian Home Lands Trust provided 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 style, clarity, and consistency.

Your Committee notes that a suggestion was made that the composition of board members should be limited as follows to better represent the beneficiaries of the trust:

- (1) The chairperson of the Hawaiian Homes Commission of the Department of Hawaiian Home Lands;
- (2) The chairperson of the State Council of Hawaiian Homestead Association (to serve as the chairperson of the Task Force);
- (3) The chairperson of Hui Kako'o Aina Hoopulapula; and
- (4) The president of the Council for Native Hawaiian Advancement.

Your Committee also notes that it is the intent of your Committee to authorize the Task Force to create smaller working groups to target specific issues after its creation.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1580, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 544 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1791**

The purpose of this bill is to preserve, restore, interpret, share, and celebrate the unique cultural, historical, and spiritual qualities of Iolani Palace for the benefit of native Hawaiians and the people of Hawaii and the world, by:

- (1) Directing the chairperson of the Board of Land and Natural Resources to enter into a 999 year lease of the historic site of Iolani Palace with the Friends of Iolani Palace, a non-profit organization that is responsible for the stewardship of Iolani Palace, by direct negotiation and without a public auction; and
- (2) Providing that under the lease, the Friends of Iolani Palace shall protect, manage, display, develop, and interpret, the historic site of Iolani Palace and its buildings, adjacent lands, historic contents, furnishings, collections, and artifacts.

This bill also specifically provides that the lease with Friends of Iolani Palace does not relieve the State of its funding obligations for the maintenance and preservation of Iolani Palace.

The Friends of Iolani Palace, Association of Hawaiian Civic Clubs, Pearl Harbor Hawaiian Civic Club, and Hawaiian Civic Club of Hilo testified in support of this bill. The Office of Hawaiian Affairs supported this bill with amendments. The Department of Land and Natural Resources opposed this measure.

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

- (1) Changing the authorized lease period from 999 years to an unspecified number of years; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1791, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 545 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1848**

The purpose of this bill is to balance the public's fishing area needs with the important of conserving the state's aquatic resources by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to discuss with communities, demonstrate a scientific need, and rule out other conservation measures and enforcement of existing regulations, prior to adopting any new fishing prohibitions or limitations, and to make all new closed area regulations temporary;
- (2) Establishing the Hawaii Fishery Policy Advisory Task Force (Task Force) to identify and recommend to the 2008 Legislature, revisions to the rule-making process regarding fisheries to improve the incorporation of public participation and peer-reviewed science in the process; and
- (3) Appropriating funds for the Task Force.

The Association of Hawaiian Civic Clubs, Kewalo Keiki Fishing Conservancy, and numerous concerned individuals testified in support of this bill. DLNR, The Nature Conservancy of Hawaii, Conservation Council for Hawaii, Malama Hawaii, The Sierra Club-Hawaii Chapter, and a large number of concerned individuals opposed this measure. The Hawaii Audubon Society provided 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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1848, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee. (Representatives Morita, Saiki and Thielen voted no.)

**SCRep. 546 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1946**

The purpose of this bill is to ensure the constitutionally and ethically mandated preservation of the native Hawaiian language and culture by requiring that all state and county documents and letterheads, when newly created or reprinted, contain the accurate, appropriate, and authentic Hawaiian names and language, including the proper Hawaiian punctuation, spelling, macrons, and glottal stops, printed above the English translations.

This bill also establishes a Hawaiian Language Interim Task Force which shall:

- (1) Provide to the 2008 Legislature, the governor, and the mayors of the respective counties an implementation plan for this Hawaiian language printing requirement including the identification of resources necessary for the implementation of this plan; and
- (2) Identify an official Hawaiian language authority to be used by state and county agencies as the official reference when printing in Hawaiian.

The Association of Hawaiian Civic Clubs and the Hawaiian Civic Club of Hilo testified in support of this bill. The Department of Accounting and General Services opposed this measure. The Attorney General provided comments.

Recognizing that unintentional errors may be made in spelling, typing, and the use of the Hawaiian language, your Committee has amended this bill by providing that an agency's or official's unintentional failure to comply with the Hawaiian language printing requirement does not invalidate an otherwise legal and binding document, and that such failure does not create or become the basis for a claim or action against the agency or official, or between any other persons or entities.

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 Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1946, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 547 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 402**

The purpose of this bill is to:

- (1) Broaden use of the Land Conservation Fund (Fund) by specifying that the Fund can be used for the payment of debt service relating to the acquisition of interests or rights in land having value as a resource to the State; and
- (2) Allow use of the Fund to acquire interest or rights in land having value as an agricultural resource to the State by amending the definition of conservation easement to include the preservation and protection of land for agricultural use.

The Department of Agriculture and the Department of Land and Natural Resources testified in support of this bill.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 402, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 402, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 548 Water, Land, Ocean Resources & Hawaiian Affairs/Tourism & Culture on H.B. No. 249**

The purpose of this bill is to encourage the development of hunting tourism, particularly at private and commercial shooting preserves, by:

- (1) Allowing three-day hunting licenses to hunt on a private or commercial shooting preserve for a reduced fee of \$50; and
- (2) Exempting people who obtain three-day hunting licenses accompanied by a licensed hunting guide from the hunter education certificate requirements.

The Hawaii Rifle Association, Outrigger Enterprises, Inc., Parker Ranch, Palawai Outfitters, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Conservation Council for Hawaii, Animal Rights Hawaii, and a number of concerned individuals opposed this bill.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Tourism & Culture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 249 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, Hanohano, Sagum and Ching.

**SCRep. 549 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 839**

The purpose of this bill is to ensure public access to shorelines, by appropriating an unspecified sum of funds for the 2007-2009 fiscal biennium to the Department of Land and Natural Resources (DLNR) to survey and map all existing public access ways to shoreline areas throughout the state.

The Kuli'ou'ou/Kalani Iki Neighborhood Board #2 and a concerned individual testified in support of this bill. A concerned individual supported this measure with amendments. DLNR opposed this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 839 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.



**SCRep. 550 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1028**

The purpose of this bill is to ensure the accessibility of Hawaii's walking trails, specifically the Pi'ilani trail, which is an important part of Hawaii's natural resources and cultural heritage, by appropriating an unspecified sum for the fiscal biennium 2007-2009 to reestablish and make trail improvements, including the planting of native Hawaiian plants, to the Pi'ilani Trail from Makena to Kapalua on the island of Maui.

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 & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1028 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 551 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1029**

The purpose of this bill is to improve lateral access between beaches by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to give priority to the planning, development, and implementation of a comprehensive statewide trail system between beaches, especially on the Neighbor Islands, and requiring DLNR to report its progress to the 2008 and 2009 Legislatures;
- (2) Amending the definition of "trail" to include trails that connect one beach to another;
- (3) Exempting lateral beach access trails from environmental assessment requirements; and
- (4) Appropriating an unspecified sum for the planning, development, and implementation of a comprehensive statewide trail system between beaches.

The Kuli'ou'ou/Kalani Iki Neighborhood Board #2 and a concerned individual testified in support of this bill. DLNR provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1029 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 552 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1388**

The purpose of this bill is to protect our marine environment and resources by providing statutory authority to continue the Hawaii Ocean and Coastal Council, initially established by Executive Order No. 2005-01, to continue its information gathering, advising, and recommending functions to address Hawaii's ocean and coastal concerns.

The Department of Land and Natural Resources, Department of Agriculture, Department of Health, Office of Planning, National Marine Sanctuary Program, the Director of the Hawaii Institute of Marine Biology at the University of Hawaii at Manoa, the Chair of the Marine and Coastal Zone Advocacy Council, and the legislative analyst for the Hawaii Audubon Society testified in support of this bill. The Director and Associate Director of the University of Hawaii Sea Grant Program supported the intent of this bill. The President of the Ocean Tourism Coalition supported this measure with amendments. Hawaii's Thousand Friends opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1388 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 553 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 959**

The purpose of this bill is to provide some relief for the costs of operations and maintenance of the Iolani Palace from the restrictions on obtaining funding by exempting the Iolani Palace from the qualifying standards and conditions related to the receipt of funds contained in Chapter 42F, Hawaii Revised Statutes (HRS), provided that the conditions apply to recipients and providers contracting with the Palace.

The Friends of Iolani Palace, the Association of Hawaiian Civic Clubs, the Hawaiian Civic Club of Hilo, and the Pearl Harbor Hawaiian Civic Club testified in support of this bill. The Office of Hawaiian Affairs supported the intent of the measure. The Department of Land and Natural Resources (DLNR) provided 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 style, clarity, and consistency.

Your Committee notes that the Iolani Palace is state-owned under the jurisdiction of DLNR State Parks Division, but maintained under the stewardship of the Friends of Iolani Palace. Therefore, unlike the Bishop Museum, which is also exempted from Chapter 42F, HRS, placement of this exemption in Chapter 6E, HRS, may be inappropriate. Your Committee requests the subsequent referral committee, the Committee on Finance, to make further inquiry into the appropriate chapter in which to place the provisions of this bill to ensure the Friends of Iolani Palace is able to take advantage of this exemption.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 959, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 959, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 554 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1516**

The purpose of this bill is to ensure the smooth transition of the operations of Honolulu Marine, Inc., from its current commercial marine railed ship repair facility on public lands under the jurisdiction of the Hawaii Community Development Authority (HCDA) at Kewalo Basin, to a new facility on undeveloped public lands under the jurisdiction of the Department of Land and Natural Resources (DLNR) next to Keehi Small Boat Harbor, by appropriating \$4,000,000 for improvements to be made on and relocation of the facility to the public lands at Keehi Small Boat Harbor.

The Hawaii Boaters Political Action Association, Ocean Tourism Coalition, the Owner and President of Honolulu Marine, Inc., the Vice President of project development of Paradise Cruise, Ltd., Atlantis Submarines Hawaii, and Atlantis Cruises testified in support of this bill. DLNR opposed this measure. HCDA provided comments.

Your Committee requests that the Committee on Finance determine the accuracy of the language in the bill that HCDA is actively trying to have Kewalo Basin and the surrounding fast land area developed by a private developer through a request for proposals process, and to remove the language only after a thorough examination of the current situation indicating the falsity of the language.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion;
- (2) Changing the appropriation amount to an unspecified sum; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1516, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 555 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 38**

The purpose of this bill is to continue the balance between safety of residents and visitors and government liability, by repealing the sunset dates of several laws that limit the liability of the state and county governments relating to public use of certain public lands, public beach parks, and the acts of lifeguards.

The Department of Land and Natural Resources, the Attorney General, Hawaii Tourism Authority, State Fire Council, Department of Corporation Counsel of the City and County of Honolulu, Mayor of the City and County of Honolulu, Honolulu Emergency Services Department of the City and County of Honolulu, Honolulu Fire Department, Mayor of the County of Hawaii, Kauai Fire Department, President and Treasurer of the Hawaii State Association of Counties testified in support of this bill. The Department of Parks and Recreation of the County of Hawaii, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and the Hawaii Lifeguard Association supported the intent of this measure. The Hawaii Consumer Lawyers of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting the section of the bill that would have repealed the sunset date of Act 82, Session Laws of Hawaii 2003, which provides that a sign on public lands warning of dangerous natural conditions on improved public lands is legally sufficient to fulfill the State's or county's duty to warn of natural dangers;
- (2) Changing the effective date to July 1, 2050, 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 Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 38, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 556 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 845**

The purpose of this bill is to protect the safety of our state's ocean users by changing the prohibition against all shark feeding to all commercial shark feeding activities, including soliciting and advertising, anywhere within the state or state waters.

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

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 845, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 557 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1843**

The purpose of this bill is to protect public and private landowners from liability arising from the land failures caused by natural conditions on unimproved lands, by setting forth the conditions for which owners of unimproved lands would be shielded from liability. Specifically, the bill provides that a public or private landowner of unimproved land is not liable for damages from land failures caused by a natural condition. However, this provision does not extend to a landowner who has actual notice of a dangerous condition and a reasonable opportunity to warn others, but did not provide the warning.

The Department of Land and Natural Resources, the Attorney General, Kamehameha Schools, Queen Emma Land Company, Hawaii Insurers Council, Hawaii Association of REALTORS, Land Use Research Foundation of Hawaii, and the Hawaii Forest Industry Association testified in support of this bill. The Consumers Lawyers of Hawaii opposed this measure.

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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs 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 Second Reading in the form attached hereto as H.B. No. 1843, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 558 Agriculture/Energy & Environmental Protection on H.B. No. 1179**

The purpose of this bill is to protect Hawaii's native ecosystem from the threat of invasive species by providing a grant-in-aid to the County of Hawaii for the support and implementation of the coqui frog working group incident action plan.

The Mayor of the County of Hawaii, The Nature Conservancy of Hawaii, Maui Outdoor Circle, Kihei Akahi A.O.A.O., Hawaiian Acres Community Association Coqui Control Group, Hawaii Audubon Society, Ahualani Community Association of Waiakea Uka, and several concerned individuals supported this bill. The Department of Land and Natural Resources and the Department of Agriculture supported the intent of this measure. Animal Rights Hawaii and a concerned individual opposed this bill. A concerned individual 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 H.B. No. 1179 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 559 Agriculture/Economic Development & Business Concerns on H.B. No. 902**

The purpose of this bill is to provide financial incentives for agricultural development by establishing an important agricultural land (IAL) agricultural business tax credit (Tax Credit) amounting to 100 percent of the qualified agricultural costs incurred in Hawaii and paid for by an agricultural business.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Land Use Research Foundation of Hawaii, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., supported this bill with amendments. The Hawaii Agriculture Research Center supported the intent of this bill. The Department of Taxation (DOTAX) and Agribusiness Development Corporation (ADC) submitted comments.

Your Committees have amended this measure by:

- (1) Deleting the provision in the purpose section declaring that the substance of this Act establishes incentives and protections for IALs;
- (2) Broadening the scope of the Tax Credit by deleting the condition that qualified agricultural costs be incurred in Hawaii and paid for by an agricultural business;
- (3) Deleting the provision that requires the taxpayer, as an alternative to reducing the basis of eligible property for depreciation or accelerated cost recovery purposes by the amount of the Tax Credit claimed, to treat the amount of the Tax Credit claimed as a taxable income item under the method of accounting used to compute taxable income;
- (4) Clarifying that no deduction shall be allowed for those costs for which a credit is claimed under the Tax Credit;
- (5) Deleting the existing provisions requiring the ADC, in consultation with DOTAX, to pre-qualify, pre-approve, monitor, and evaluate any taxpayer applying for or using the Tax Credit and to evaluate the effectiveness of the Tax Credit;
- (6) Requiring ADC, in consultation with DOTAX, to determine the information necessary on an annual basis to enable a quantitative and qualitative assessment of the outcome of the Tax Credit and:
  - (A) Requiring every qualified taxpayer to submit a certified statement providing this information to ADC;
  - (B) Establishing 100 percent recapture provisions if the taxpayer fails to provide this information in a timely manner; and
  - (C) Declaring that the certified statement shall be a public document;
- (7) Clarifying that the ADC consult with DOTAX in submitting the annual report evaluating the effectiveness of the Tax Credit;
- (8) Clarifying, under the definition of "agricultural business", that more than 50 percent of the land the taxpayer owns, leases, or uses, excluding conservation lands, is IAL;
- (9) Amending the definition of "qualified agricultural costs" by:
  - (A) Deleting the condition that expenditures occur in Hawaii;
  - (B) Specifying that agricultural processing facilities be located in Hawaii and process crops or livestock from an agricultural business; and
  - (C) Deleting research and development expenditures from the definition;
- (10) Inserting appropriations for DOTAX and ADC to administer the Tax Credit;
- (11) Changing its effective date to an unspecified date; and
- (12) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committees recognize the concerns that were raised during the public hearing regarding the amount of the Tax Credit, as well as other issues relating to the broad scope of the Tax Credit. Your Committees support future legislative efforts to address these issues.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 902, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 902, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 560 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 715**

The purpose of this bill is to support the development of agriculture on Lanai by appropriating funds for the purchase of water by Lanai farmers for agricultural use.

The Hawaii Farm Bureau Federation and a concerned individual supported this bill. The Department of Agriculture (DOA) supported the intent of this bill but expressed concerns.

Your Committees note that concerns were raised during the public hearing regarding whether the funds will be made available to those in the 100 acre agricultural park, as referenced in the purpose section, or anywhere on Lanai. In addition, it was unclear as to who qualifies as a "farmer" and the amount of the match offered by Lanai Water Company, as described in the purpose section. Your Committees support future legislative efforts to address these issues.

Your Committees have amended this measure by:

- (1) Changing its effective date to July 1, 2050 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 Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 715, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 715, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Chang, Herkes, Morita, Saiki, Wakai, Ching and Meyer.

**SCRep. 561 Agriculture on H.B. No. 1221**

The purpose of this bill is to preserve Hawaii's dairy and poultry farms and mitigate the impact of skyrocketing feed costs by appropriating funds for fiscal year (FY) 2008-2009 and FY 2009-2010 to be disbursed to qualified producers of milk and eggs for the cost of feed for dairy cows or egg-laying hens, and for administrative costs.

The Hawaii Farm Bureau Federation, Aloun Farms, Peterson Poultry Farm, and several concerned individuals supported this bill. The Department of Agriculture (DOA) supported this bill with amendments. The Hawaii Egg Producers Association supported the intent of the bill and suggested amendments. Animal Rights Hawaii and several concerned individuals opposed this bill. A concerned individual submitted comments.

In light of testimony received during the public hearing, your Committee has amended this measure by deleting its contents and inserting the contents of a proposed House draft submitted by DOA with clarifying amendments. As amended, this bill, among other things:

- (1) Establishes the Dairy and Poultry Revitalization Program (Program), codified in the Hawaii Revised Statutes, that establishes the conditions, criteria, and restrictions for the disbursement of funds to qualified producers of milk, eggs, or poultry;
- (2) Establishes a cap for disbursements under the Program of up to 60 percent of the feed costs incurred for poultry and egg production and up to 40 percent of the feed costs incurred for milk production;
- (3) Limits funds to only the feed fed to the qualifying flock or herd and not to feed purchases for resale or gift; and
- (4) Appropriates funds for FY 2007-2008 and FY 2008-2009 to be disbursed, pursuant to the Program, to qualified producers of milk, eggs, or chickens for the cost of feed for dairy cows and chickens, and for the administrative costs of the Program.

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. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1221, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hanohano and Manahan.

**SCRep. 562 Higher Education on H.B. No. 882**

The purpose of this bill is to encourage savings and investment for post-secondary educational purposes by:

- (1) Establishing a tax deduction for contributions to a college savings account under the College Savings Account Program (Program); and
- (2) Requiring the State to provide an initial investment in a college savings account with the issuance of each birth certificate for a child born in the state, and periodic investments thereafter.

The University of Hawaii, 3Point, and a concerned individual supported the intent of this bill. The Hawaii Alliance for Community-Based Economic Development supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Requiring and appropriating funds for the Department of Health to issue a \$1,000 voucher to open a college account under the Program, with the issuance of each birth certificate for a child born in the state;
- (2) Deleting the specific amount that the State must transfer from the College Savings Program Trust Fund to the account owner's college account when the designated beneficiary of the account reaches certain ages; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 882, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 882, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Berg.

**SCRep. 563 Judiciary on H.B. No. 1447**

The purpose of the bill is to reduce excessive noise produced by motor vehicles and mopeds by:

- (1) Creating noise abatement restrictions in areas used for lodging for vehicles that emit noise exceeding 95 decibels;

- (2) Assessing fines for violations of noise restrictions;
- (3) Allowing for the impoundment of vehicles that violate the noise restrictions; and
- (4) Appropriating funds for a program to store impounded vehicles.

Several concerned individuals testified in support of this bill. Hawaii Transportation Association, PH Corporation, Specialty Equipment Market Association, Street Bikers United Hawaii, and many concerned individuals opposed this measure. The Judiciary offered comments.

Your Committee finds that there is a need to establish some type of accurate noise testing procedure to achieve the objectives of this bill; and has concerns about the adequacy of establishing official designations such as stickers on vehicles to indicate compliance.

Your Committee has amended this bill by:

- (1) Changing the effective dates to July 1, 2051, and 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1447, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1447, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine. (Representative Sonson voted no.)

**SCRep. 564 Judiciary on H.B. No. 1590**

The purpose of this bill is to authorize the state or county to offer to resell condemned property that:

- (1) Is not used for the condemned purpose after five years have elapsed; or
- (2) Ceases to be used for the purpose for which it was condemned,

to the former owner for the lesser of:

- (1) The current appraised value; or
- (2) The condemnation price plus the cost of environmental remediation or cleanup or other improvements.

Kamehameha Schools and the Hawaii Association of Realtors testified in support of this bill. The National Federation of Independent Businesses in Hawaii supported the intent of this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2112, 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. 1590, 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. 1590, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 565 Judiciary on H.B. No. 1256**

The purpose of this bill is to ensure timely notification by requiring that when appealing a decision by the State Board of Review, or equivalent administrative body established by county ordinance, to the Tax Appeal Court, a taxpayer must serve a notice of appeal on the Director of Taxation or the county clerk, as appropriate, to properly confer jurisdiction over the appeal.

The Department of Taxation and the Department of the Attorney General testified in support of this bill. The Department of Budget and Fiscal Services of the City and County of Honolulu supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

This bill is in response to a Hawaii Supreme Court decision that a taxpayer is not required to serve the Director of Taxation with a notice of appeal. Your Committee finds that the absence of such timely notification may adversely affect the State's due process rights.

Your Committee has amended this bill by:

- (1) Making similar, conforming amendments to section 232-16, Hawaii Revised Statutes;
- (2) Designating the county administrator of real property tax assessment, instead of the county clerk, as the appropriate party to be served with the notice of appeal when the decision involves a county; 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. 1256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1256, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, Souki and Pine.

**SCRep. 566 Judiciary on H.B. No. 1212**

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of and capital improvements for the Judiciary for fiscal biennium 2007-2009.

The Judiciary testified in support of this bill. The Family Law Section of the Hawaii State Bar Association offered comments.

Your Committee has amended this bill by:

- (1) Deleting \$15,500,000 in fiscal year 2007-2008 to construct the Kapolei Judiciary Complex on Oahu;
- (2) Deleting \$500,000 in fiscal year 2008-2009 to plan for the Kona Judiciary Complex on the island of Hawaii;
- (3) Deleting \$500,000 in fiscal year 2008-2009 for master planning for Judiciary facilities statewide; and
- (4) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1212, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 567 Labor & Public Employment on H.B. No. 26**

The purpose of this bill is to compensate the members of the Board of Education (BOE) for their time and efforts in executing their responsibilities and duties by establishing and appropriating funds for:

- (1) Salaries; and
- (2) Protocol allowances to cover expenses incurred in the course of their work.

BOE and a concerned individual testified in support of this bill. The Department of Budget and Finance (B&F) did not support this measure.

The scope and level of responsibilities of the BOE appears to merit compensation for its members based on a salary. However, your Committee understands the concerns raised by B&F and respectfully requests the Committee on Finance to further review the fiscal impact this bill may have on the State budget.

Your Committee has amended this bill by changing its effective date to July 1, 2059, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 26, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 26, H.D. 1.

Signed by all members of the Committee.

**SCRep. 568 Labor & Public Employment on H.B. No. 520**

The purpose of this bill is to amend the formula used for calculating the "adequate reserve fund" of the Unemployment Insurance Trust Fund (UI Trust Fund) by:

- (1) Eliminating the one and a half times multiplier used to determine the benefit cost rate; and
- (2) Reducing the number of years used to determine the benefit cost rate.

The Chamber of Commerce of Hawaii testified in support of this bill. The Department of Labor and Industrial Relations supported the intent of this measure. ILWU Local 142 opposed this bill. The National Federation of Independent Business submitted comments.

Current economic prosperity has caused the UI Trust Fund to grow and maintain a balance that far exceeds the "adequate reserve fund." However, your Committee notes that a cautious approach needs to be taken when attempting to adjust the calculations used in determining the "adequate reserve fund" in case the State experiences severe economic difficulties, such as those faced in the 1970s when the UI Trust Fund was depleted.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that requires the Legislative Reference Bureau to conduct a cost-benefit analysis of adjusting the formulas used to calculate the "adequate reserve fund".

Your Committee has also amended this bill by changing its effective date to July 1, 2007.

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. 520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 520, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 569 Labor & Public Employment on H.B. No. 988**

The purpose of this bill, as received by your Committee, is to enhance the retirement benefits of individuals who actively served in the armed forces of the United States by reducing the years of credited service needed to obtain service credit in the Employees' Retirement System (ERS) for military service.

Prior to the public hearing on February 13, 2007, your Committee distributed H.B. No. 988 Proposed House Draft 1 for consideration. Therefore, H.B. No. 988 Proposed House Draft 1 was the measure that was given a public hearing and on which testimony was received.

As amended, the purpose of H.B. No. 988 Proposed House Draft 1 is to assist public employee retirees to deal with the effects of inflation on their pensions by:

- (1) Providing for an increase in the post retirement allowance of public employee retirees based on the retiree's age, number of years of credited service, and number of years in retirement; and
- (2) Appropriating moneys to the ERS to cover costs associated with this benefit.

The Oahu Retired Teachers Association, Hawaii State Teachers Association, Hawaii State Teachers Association-Retired, and Hawaii State Teachers Association-Retired COLA Fairness Committee testified in support of this bill. The Department of Budget and Finance did not support this bill. ERS submitted comments.

Your Committee finds that an actuarial study conducted in 2006 by the ERS suggested possible improvements to the ERS to account for the effects of inflation on the pension of retirees. This measure uses one option to address the concerns of retirees.

Accordingly, your Committee has adopted the language of H.B. No. 988 Proposed House Draft 1. However, noting that this measure may have a large financial impact on the State's fiscal plan, your Committee has further amended this bill by:

- (1) Stipulating that the benefit will apply to public employee retirees who are 70 years of age and have been retired for at least twenty years rather than retirees with at least twenty years of credited service; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 988, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 988, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 570 Energy & Environmental Protection on H.B. No. 194**

The purpose of this measure is to authorize the National Energy Laboratory of Hawaii Authority to acquire, hold, and sell qualified securities.

Your Committee received testimony in support of the measure from the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that the National Energy Laboratory of Hawaii Authority was created to promote and provide for the research, development, and commercial application of activities that utilize ocean water as a resource. Opportunities have been presented to the National Energy Laboratory of Hawaii Authority to take an equity interest in one or more of the energy projects that have arisen recently. The ability of the National Energy Laboratory of Hawaii Authority to own and hold securities expands the capability of the National Energy Laboratory of Hawaii Authority to produce returns through joint ventures with prospective tenants. Accordingly, it would be to the advantage of the National Energy Laboratory of Hawaii Authority to have the capability to own and hold securities should the right opportunity present itself.

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

Signed by all members of the Committee.

**SCRep. 571 Energy & Environmental Protection on H.B. No. 200**

The purpose of this measure is to direct the Auditor to conduct a financial and management audit of the deep water pumping system operated by the Natural Energy Laboratory of Hawaii Authority at Keahole, Hawaii.

Specifically, this measure provides for:

- (1) An evaluation and determination of a reasonable rate structure for pumped seawater;
- (2) A freeze on the rate charged for pumped seawater at the level in effect on the effective date of this measure until completion of the audit; and
- (3) Implementation of the rate structure recommended by the Auditor.

Your Committee received testimony in support of this measure from the Natural Energy Laboratory of Hawaii Authority and Office of Hawaiian Affairs.

Your Committee is reminded that the submerged lands and water column above them are ceded lands, to be held in trust for all people of the State, with Native Hawaiians entitled to their appropriate pro rata share of any proceeds from the trust assets. Further, section 1, article XI, of the state constitution requires that the State "[s]hall conserve and protect Hawaii's natural beauty and all natural resources, including land, water, air, minerals and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State."

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. 200, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 572 Energy & Environmental Protection on H.B. No. 646**

The purpose of this measure is to appropriate funds to sponsor the Blue Planet Festival and a conference to promote energy resources and technology and to discuss global and local energy issues.

Your Committee received supporting testimony from Juniroa Productions Inc., Liquid Planet Studios, Sunny Hawaii, Hawaii Energy Policy Forum, a representative of a local law firm, and numerous supportive individuals. The Department of Business, Economic Development and Tourism supported the intent of the measure.

Your Committee finds that the Blue Planet Festival is a public-private partnership that promotes the use of clean energy through education, technology, and musical entertainment. The Blue Planet Festival will bring world-class entertainers to join local musicians at an event powered entirely by clean energy sources. The event also includes an energy conference of government, industry, non-governmental organizations, and scientific leaders to:

- (1) Address local and global energy issues;
- (2) Showcase and display the latest in energy technology; and
- (3) Provide an educational component to inform and inspire Hawaii residents, especially students, about the positive impact of, and the crucial need for, clean energy resources and technology.

Your Committee also finds that the Hawaii Tourism Authority is funding \$50,000 of the cost of the festival and the amount requested for this measure is \$500,000.

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. 646, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 573 Consumer Protection & Commerce on H.B. No. 116**

The purpose of this bill is to ensure the effective integration of facilities necessary for the provision of advanced wireless communications services by creating an application process for the siting of wireless communications facilities that encourages the placement of antennas on existing structures, including buildings, utility poles, and communication towers, thereby minimizing their impact on the environment.

Cingular Wireless, T-Mobile USA, Inc., and Verizon Wireless testified in support of this bill. Hawaiian Telcom offered comments.

Your Committee has amended this bill by:

- (1) Deleting references to utility poles as existing structures that could support new antennas and equipment; and
- (2) Making technical, nonsubstantive amendments for consistency.

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. 116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 116, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 574 Consumer Protection & Commerce/Public Safety & Military Affairs on H.B. No. 1006**

The purpose of this bill is to ensure Hawaii's readiness for disasters by establishing the Office of the Director of Disaster Preparedness (Director) and the Disaster Preparedness Commission (Commission) to develop a disaster preparedness plan for Hawaii that includes the identification of hazards and hazard impact zones; disaster mitigation policies, requirements, and incentives; and best responses.

For purposes of the public hearing on this bill, your Committees circulated a proposed H.D. 1 and notified the public that your Committees would be accepting testimony on the proposed H.D. 1 only. The proposed H.D. 1 amended the original draft of this measure, as received by your Committees, by:

- (1) Adding a definition for "disaster preparedness";
- (2) Amending the definition of "natural hazard" to include rise of ocean level;
- (3) Requiring the Director to have expertise in emergency management;
- (4) Authorizing the Director to prepare and coordinate comprehensive plans and programs for disaster preparedness;
- (5) Requiring Commission members to have expertise in certain disciplines pertaining to disaster preparedness;
- (6) Providing additional Commission duties;
- (7) Authorizing the Commission to engage employees necessary to perform its duties, including working groups and administrative personnel;
- (8) Specifying that the authority of the Governor and political subdivisions to exercise powers relating to disasters resulting from enemy attacks to provide other disaster relief does not include functions performed by the Director and the Commission;
- (9) Making appropriations to fund Community Emergency Response Team Program training and support on the islands of Oahu, Hawaii, Kauai, and Maui; and
- (10) Making technical, nonsubstantive amendments for clarity and style.

The Hawaii Independent Insurance Agents Association, Legislative Information Services of Hawaii, First Hawaiian Bank, Hawaii Association of REALTORS, State Farm Insurance Companies, Hawaii Medical Service Association, American Council of Engineering Companies of Hawaii, Hawaii Financial Services Association, and a concerned individual testified in support of this bill. A concerned individual supported the intent of this measure. The Hawaii Insurers Council supported this bill with amendments. The Department of Accounting and General Services, Department of Defense, and the Mayor of Hawaii County opposed this measure. Verizon Wireless and the East Hawaii VOAD submitted comments.

Your Committees find that while concerns were raised that the provisions of this bill may duplicate existing government efforts dealing with disasters, recent events such as the Kaloko Dam breach and the October 15, 2006, earthquakes and power outage have demonstrated a lack of sufficient disaster prevention efforts and coordinated communication between government agencies during emergencies. Hawaii's deficiencies in disaster preparedness are further underscored by our isolation as a remote island state, which leaves us particularly vulnerable to disasters. This bill addresses those needs by establishing an executive director and commission tasked with developing and implementing a comprehensive disaster preparedness plan for Hawaii.

Upon further consideration, your Committees have also amended this measure by:

- (1) Inserting a preamble;
- (2) Clarifying that the provisions of this measure do not apply to disasters resulting from terrorist activities;
- (3) Including temporary shelter and temporary housing among the types of emergency functions included in the disaster preparedness contemplated by this measure;
- (4) Requiring the Director to:
  - (A) Prepare and coordinate comprehensive plans and programs for disaster preparedness; and
  - (B) Annually submit to the Governor and the Legislature proposed legislation that develops and implements a comprehensive disaster preparedness plan;
 and
- (5) Requiring the Commission to:



- (A) Work with the Office of Planning to determine or develop the best geospatial data resources and tools to carry out the Commission's duties; and
- (B) Work with the Department of Transportation to develop alternate transportation routes in the event that major roads become inaccessible.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1006, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Yamashita, Finnegan and Thielen. (Representative Takamine voted no.)

**SCRep. 575 Human Services & Housing on H.B. No. 906**

The purpose of this bill is to establish an Affordable Housing Inventory Advisory Commission within the Hawaii Housing Finance and Development Corporation to provide annual reports to the Legislature and to make recommendations to state or county agencies to encourage the development and preservation of affordable housing.

The Hawaii Housing Finance and Development Corporation (HHFDC) and City and County of Honolulu Department of Community Services opposed this bill.

Testimony noted that the creation of an advisory commission attached to HHFDC will not accomplish the objectives of preserving affordable rental housing and may not be necessary. Your Committee respectfully requests the Committee on Finance to look further into those concerns.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 906 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 576 Human Services & Housing on H.B. No. 1361**

The purpose of this bill is to make various housekeeping amendments relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1361 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 577 Human Services & Housing on H.B. No. 1002**

The purpose of this bill is to reduce speculation and increase affordable housing by establishing an anti-speculation capital gains tax, to be deposited into the Rental Housing Trust Fund.

A concerned individual testified in support of this bill. The Hawaii Association of REALTORS opposed this measure. The Department of Taxation (DOTAX) provided comments.

Your Committee has amended this bill by:

- (1) Requiring the realized funds to be deposited into an escrow account to be transferred to DOTAX;
- (2) Exempting from the tax certain properties that were sold under extenuating circumstances or that were involuntarily converted, properties that qualify for a county homeowners exemption, and properties sold by certain military personnel;
- (3) Applying this measure to sales or exchanges of property occurring on or after January 1, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1002, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai. (Representative Green voted no.)

**SCRep. 578 Human Services & Housing on H.B. No. 1942**

The purpose of this bill is to exempt food items under the federal Special Supplemental Nutrition Program for Women, Infants, and Children from the general excise tax.

The Administration, Department of Taxation, Tax Foundation of Hawaii, and Hawaii Food Industry Association provided comments.

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. Several testifiers supported the intent of this measure, but preferred the language of this bill to be clarified.

Accordingly, your Committee has amended this bill by:

- (1) Implementing the exemption under an existing statute, rather than creating a new one;
- (2) Clarifying that purchases made by any purchaser of qualifying items will be exempt from the general excise tax; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 579 Human Services & Housing on H.B. No. 471**

The purpose of this bill is to protect renters, especially those with low incomes, by regulating application fees for rental units.

The Legal Aid Society of Hawaii and several concerned individuals testified in support of this bill. The Hawaii Association of REALTORS provided comments.

Your Committee finds that rental application fees are increasing in frequency, and can range from \$10 to \$69. While fees are sometimes justified when they are applied toward the cost of conducting certain background checks, they also cause a potential for abuse.

Your Committee notes testimony that indicates that rental agreement forms may be affected by the enactment of the provisions in this measure, and that time is needed to update the forms.

Accordingly, your Committee has amended this bill by:

- (1) Replacing provisions that would have limited required disclosures of information obtained from screening services or sources on the prospective tenant's application to only those required under the federal Fair Credit Reporting Act with provisions requiring landlords, when an application fee is not returned, to provide prospective tenants with written notice explaining why the applicant was not offered a rental unit;
- (2) Applying the provisions of this measure only to landlords with four or more rental units;
- (3) Changing the effective date to January 1, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 471, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 580 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1737**

The purpose of this bill is to protect from development and preserve the distinctive geographic features of the puu of Waimea, by directing the Office of Planning to prepare and file a petition with the Land Use Commission to reclassify this parcel from agricultural to conservation, as soon as practicable. This bill also prohibits the County of Hawaii from allowing the use of this parcel for anything other than a pasture pending the preparation, filing, and final disposition of this land use petition.

The Office of Hawaiian Affairs and a large number of concerned individuals testified in support of this bill. The Office of Planning opposed this measure. The Department of Land and Natural Resources provided comments.

Your Committee notes that a concern was raised that while reclassification from agricultural to conservation may prevent subdivision of the parcel, the agricultural classification may provide more flexibility in terms of management.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1737 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 581 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1832**

The purpose of this bill is to preserve the scenic beauty of our islands that is vital to the enjoyment of our residents and visitors and to protect the public from distractions that may interfere with traffic safety, by restricting signs, billboards, and other outdoor advertising devices on residential and agricultural property to:

- (1) Four feet by two feet, up to a cumulative area of sixteen square feet;
- (2) Eight feet by four feet, up to a cumulative area of sixty-four square feet in common areas of multi-unit residential structures with four or more units; and
- (3) Those signs for which the owner or tenant of the property has not received any payment, fee, or valuable consideration in return.

The Outdoor Circle testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu opposed this measure. The Attorney General provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1832 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 582 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 260**

The purpose of this bill is to increase the efficacy of acquiring lands having value as a resource to the State and reducing administrative costs of legacy land conservation by:

- (1) Allowing the State to use existing appraisals that satisfy several conditions that were prepared for a nonprofit organization;
- (2) Providing that the Board of Land and Natural Resources may not contract for more than three independent appraisals; and
- (3) Allowing the State to pay more than the highest appraised value only if it is justified and within the range of market value, unless the acquisition is by condemnation, in which case this limitation does not apply.

The Trust for Public Land testified in support of this bill. The Department of Land and Natural Resources provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 260 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 583 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 844**

The purpose of this bill is to protect Lake Wilson, located in Wahiawa on the island of Oahu, as an agricultural irrigation asset and outdoor park and water recreation site. Half of the land beneath Lake Wilson is currently owned by the George Galbraith Trust (Galbraith Trust), which is scheduled to terminate in April 2007. This bill would appropriate an unspecified sum to:

- (1) Acquire the property beneath Lake Wilson and appurtenant lands from Galbraith Trust through purchase or donation;
- (2) Undertake measures to ensure that the earthen Wahiawa Dam is properly maintained; and
- (3) Plan for the future uses of Lake Wilson for recreational purposes.

The Wahiawa Community and Business Association and Dole Food Company Hawaii testified in support of this bill. The Department of Land and Natural Resources (DLNR), the Agribusiness Development Corporation, and Bank of Hawaii as the trustee of the trust established by the Estate of George Galbraith (deceased) provided comments.

Your Committee notes a concern was raised that DLNR may not be the appropriate agency to be made responsible for the management and maintenance of a dam and irrigation reservoir, as they are not part of the objectives, visions, or missions of DLNR. Your Committee believes that the management and maintenance may be better regulated by the Agribusiness Development Corporation.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 844 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 584 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1621**

The purpose of this bill is to identify who is responsible for the repair and maintenance of the 16 listed private lanes in Honolulu, Oahu, by directing the Department of Land and Natural Resources (DLNR) to determine and identify the persons or entities that own the fee interest and any other property interest to those lanes.

Several concerned individuals testified in support of this bill. DLNR opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1621 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 585 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 652**

The purpose of this measure is to establish a program for monitoring and enforcing the safety of dams and reservoirs throughout the State.

Specifically, this measure:

- (1) Requires all dams, existing and to be constructed, to have a certificate of approval to impound water;
- (2) Requires applications for the certification of all existing dams;
- (3) Requires proposed new dams to submit plans and specification prior to construction for approval and requires subsequent construction to be done in accordance with the approved plans and specifications;
- (4) Allows officers and employees of the Department of Land and Natural Resources to enter upon land, public or private, at reasonable times but without prior notice, for the purpose of investigating the condition, construction, or operation of any dam;
- (5) Makes it unlawful for any person to refuse entry of any authorized representative of the Department of Land and Natural Resources to inspect any dam;
- (6) Allows the Department of Land and Natural Resources to obtain an order from the circuit court enjoining any person engaging in any unlawful act or practice that would violate chapter 179D, Hawaii Revised Statutes, relating to dam safety, or for an order requiring compliance with that chapter;
- (7) Allows the Department of Land and Natural Resources to take control of any dam and employ any remedial measures it deems necessary if it determines that the dam poses a danger to the health and safety of persons or property;
- (8) Establishes the dam safety special fund to administer the dam safety program and to undertake remedial measures necessary to protect persons and property;
- (9) Establishes the dam rehabilitation loan program to allow the Board of Land and Natural Resources to grant loans from the fund to dam owners to defray the costs of repairing dams that the Board deems are dangerous to the safety of persons and property but are not deemed to be an emergency situation;
- (10) Requires the Department of Land and Natural Resources to submit annual reports to the Governor and Legislature on the dam safety program;
- (11) Limits the liability of the Board of Land and Natural Resources, its officers, employees, and agents from any liability arising out of or caused by the construction, maintenance, operation, or failure of a dam, or the issuance of an order or rule issued or adopted by the Board to carry out the Board's responsibilities pursuant to chapter 179D, Hawaii Revised Statutes; and
- (12) Makes an unspecified appropriation for personnel and resources for the Department of Land and Natural Resources to implement this measure.

Your Committee received testimony in support of the intent of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and the Hawaii Farm Bureau Federation. One individual submitted comments.

Your Committee notes that House Bill No. 1905, containing many of the specific provisions contained in this bill has been heard by this Committee and will be reported out of this Committee for second reading in the House and, following approval, will be referred to your Committee on Judiciary for further consideration. However, House Bill No. 1905 does not contain provisions establishing the dam safety special fund, the dam rehabilitation loan program, or an appropriation.

Accordingly, your Committee has amended this measure by:

- (1) Deleting many of the provisions contained in this measure that are also contained in House Bill No. 1905, but leaving in the provisions:
  - (A) Establishing the dam safety special fund;
  - (B) Establishing the dam rehabilitation loan program; and
  - (C) Making an appropriation to the Department of Land and Natural Resources for personal and resources to implement this measure;
- (2) Changing the effective date of this measure to July 1, 2050, to allow for further discussion on this measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 652, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 586 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 408**

The purpose of this bill is to create a buffer zone to protect farming operations from urbanization, contamination, and development, by prohibiting industrial, commercial, or residential development, or infrastructure serving the development within 1,000 feet from the property line of any farming operation.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Lalamilo Farm Lots Association, and a concerned individual testified in support of this bill. The Kauai County Farm Bureau supported the intent of this measure. The Department of Agriculture, Department of Planning and Permitting of the City and County of Honolulu, and the Land Use Research Foundation of Hawaii opposed this bill.

Upon further consideration, your Committees have amended this bill by:

- (1) Changing the width of the buffer zone from 1,000 feet to an unspecified width;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; 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 Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 408, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 408, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 587 Water, Land, Ocean Resources & Hawaiian Affairs/Transportation on H.B. No. 250**

The purpose of this bill is to better update and improve harbor infrastructure and facilities by authorizing Aloha Tower Development Corporation (ATDC) to assist the Department of Transportation (DOT) in this endeavor.

DOT, ATDC, Maritime Consultants of the Pacific, LLC, Chamber of Commerce of Hawaii, Hawaii Ship Agents Association, Alexander & Baldwin, Inc., and Matson Navigation Company testified in support of this bill. The Hawaii Harbor Users Group supported the intent of this measure.

Your Committees find that ATDC is empowered to develop, construct, improve, or repair projects and has the expertise to develop harbor infrastructure and facilities. DOT is responsible for caring for and controlling all commercial harbors in the state, but does not have the necessary resources to keep up with the continuing demands for further improvement and development of additional desperately needed harbor facilities. The partnership of these two agencies will allow the State to leverage its resources for the benefit of harbor users.

To ensure ATDC has the necessary funding to carry out its harbor infrastructure improvement projects within the state, your Committees have amended this bill by requiring, instead of authorizing, ATDC to apply any revenues derived from commercial development projects in the area seaward of Nimitz Highway between pier 4 and the Honolulu International Airport, subject to existing contractual and statutory commitments to DOT. In addition, technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 250, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 250, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Sonson, Takamine, Meyer and Pine.

**SCRep. 588 International Affairs/Economic Development & Business Concerns on H.B. No. 31**

The purpose of this bill is to prohibit the binding of the State to government procurement rules contained in an international trade agreement without approval through legislative action.

Public Citizen and the Hawaii Government Employees Association testified in support of this bill. The Department of Business, Economic Development, and Tourism offered comments.

Your Committees have amended this bill by:

- (1) Removing the provision that declares invalid any consent that a state official, including the Governor, has given for the State to be bound by the government procurement rules of any international trade agreement on or before the effective date of this bill;

- (2) Requiring an impact study to be prepared before the cancellation of any procurement contract; 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 International Affairs and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 31, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 31, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Green, Hanohano, Manahan, Mizuno, Shimabukuro, Yamane and Ching. (Representatives Marumoto and Ward voted no.)

**SCRep. 589 International Affairs on H.B. No. 1547**

The purpose of this bill is to support international relations in Hawaii by:

- (1) Establishing a Legislative Protocol Fund (Fund);
- (2) Clarifying the purposes of the Office of International Affairs (Office) to include, among other things, a focus on education, and appropriating funds to hire personnel for the Office; and
- (3) Appropriating funds to bring the Second International Symposium on Freeway and Tollway Operations to Hawaii in 2009 and to begin preliminary planning for the conference.

The Governor, Department of Business, Economic Development, and Tourism, Hawaii Automobile Dealers Association, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying the purpose of the Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1547, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1547, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Mizuno, Shimabukuro and Takai.

**SCRep. 590 Transportation/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 189**

The purpose of this bill is to ensure that cruise ships appropriately reimburse the State to compensate for their use of small boat harbors by requiring the Department of Land and Natural Resources (DLNR) to provide an annual report to the Legislature regarding the total costs incurred by DLNR in addressing the usage activities of cruise ships at state small boat harbors.

DLNR did not support this bill. The Hawaii Boaters Political Action Association submitted comments on this measure.

Hawaii's small boat harbors play a vital role in both recreational and commercial boating activities, often serving as landing areas for cruise ship passengers. However, these harbors are in need of drastic repair and maintenance. Many in the boating community have complained that fees and other charges need to be increased to help DLNR deal with the expenses incurred in repairing and maintaining their facilities.

Your Committees believe that additional information regarding the costs incurred by DLNR in addressing the usage activities of cruise ships at Hawaii's small boat harbors will be a valuable tool for the State in determining if fees need to be raised.

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 189, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Sonson, Takamine, Meyer and Pine.

**SCRep. 591 Transportation on H.B. No. 714**

The purpose of this bill is to assist the Department of Land and Natural Resources (DLNR) in the enforcement of environmental laws and to protect their law enforcement personnel by:

- (1) Allowing the use of blue lights on approved law enforcement vehicles of its Division of Conservation and Resource Enforcement Division (DOCARE); and
- (2) Amending the definition of authorized emergency vehicles to include DOCARE vehicles.

DLNR, Nature Conservancy of Hawaii, and numerous DOCARE Officers testified in support of this bill. The Honolulu Police Department (HPD) testified in opposition to this measure.

Under State law, DOCARE officers are provided with full police powers to enforce all State laws and county ordinances within all lands and waters of the State. However, patrol vehicles currently used by DOCARE are not authorized to use blue lights on their vehicles. The use of these blue lights would not only act as a deterrent to criminal activity on State lands but also provides safety for DOCARE officers as they are relatively easily identified as law enforcement personnel.

However, your Committee does understand concerns raised by HPD that use of blue lights may confuse the public as to what branch of law enforcement the DOCARE officer belongs to. Accordingly, your Committee has amended this measure by:

- (1) Specifying that lights used on DOCARE vehicles shall be a combination of blue and red lights; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 714, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 592                    Transportation on H.B. No. 1446**

The purpose of this bill is to control excessive vehicular noises by:

- (1) Providing drivers an option to turn off audible reverse warning systems if:
  - (A) The vehicle is also equipped with a rearview camera system that continues to operate when the vehicle is reversing; or
  - (B) A watchperson is continuously on duty to ensure the vehicle is reversed in a safe manner; and
- (2) Requiring that any switch permitting the audible reverse warning system to be manually disengaged shall automatically turn itself off after a fixed period of time and automatically engage the audible reverse warning system.

Citizens Against Noise and several individuals testified in support of this bill. The Department of Transportation (DOT) supported the intent of this bill. The Hawaii Transportation Association (HTA) submitted comments and concerns on this measure.

Noise pollution has become a big problem in Hawaii. Many of the sources of this noise can be attributed to motor vehicles, in particular warning devices that are used when a vehicle is reversing. While your Committee recognizes the safety concerns raised by HTA, allowing reverse audible warning devices to be disengaged under certain conditions may reduce noise without compromising safety. Your Committee also notes that DOT has stated that they do not have the expertise or adequate information to determine when a reverse warning device should be disengaged and therefore would be hard-pressed to develop administrative rules on the subject.

Your Committee has amended this bill by:

- (1) Deleting the requirement that DOT develop rules regulating reverse audible warning devices;
- (2) Requiring any switch permitting the audible reverse warning system to be manually disengaged be programmable to automatically turn off and re-engage the audible reverse warning system; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1446, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 593                    Transportation on H.B. No. 349**

The purpose of this bill is to protect the health and safety of bicyclists and motorists by authorizing the counties to regulate both guided and unguided bicycle tour businesses operating on state and county highways, including adopting ordinances that regulate the:

- (1) Number of tours;
- (2) Number of bicycles within a tour;
- (3) Scheduling of tours;
- (4) Physical spacing of tours;
- (5) Rules of the road;
- (6) Health and safety requirements;
- (7) Equipment maintenance;
- (8) Driver and guide qualifications;
- (9) Driver and guide drug testing;
- (10) Accident procedures and reporting; and
- (11) Financial responsibility requirements.

The Department of Transportation (DOT) testified in support of the intent of this bill. The Small Business Regulatory Review Board, Maui Downhill, Maui Bicycle Safaris Ltd., Maui Bicycle Tour Association, Cruiser Phil's Volcano Riders, and Maui Mountain Cruisers testified in opposition to this measure.

Current laws do not regulate bicycle tours operating on state or county roadways. While your Committee notes that these tours provide a valuable service to Hawaii's tourism market, many safety and liability concerns have been raised by a number of individuals at both the State and county level. Allowing the counties to adopt ordinances that regulate the operations of these tours provides both safety for the bicyclist and for the motorist using the public roadways.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 349 and recommends that it pass Second Reading and be referred to the Committee on Tourism & Culture.

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

**SCRep. 594 Transportation on H.B. No. 277**

The purpose of this bill is to ensure fiscal accountability in the process for issuing parking placards for persons with disabilities by requiring the counties to deposit all fees collected for the issuance of temporary or replacement placards into the State general fund.

The Disabilities and Communication Access Board (DCAB), Department of Customer Services of the City and County of Honolulu, and a concerned individual testified in support of this bill.

Currently, DCAB reimburses the counties at a rate of \$12 per placard for the issuance of temporary or replacement parking placards for persons with disabilities. However, the individual receiving the temporary or replacement placard must also pay \$12 to receive the placard. Thus, the county must reimburse the State for the issuance of these placards lest they be collecting twice the amount necessary for their issuance.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 277 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 595 Transportation on H.B. No. 534**

The purpose of this bill is to create greater awareness of the importance of child safety seats by:

- (1) Requiring the Keiki Injury Prevention Coalition (Coalition) to educate the public about Hawaii's child passenger restraint law;
- (2) Requiring the Coalition to implement a program to subsidize the cost of booster car seats for families meeting certain income limits;
- (3) Requiring the Honolulu Police Department (HPD) to assist the Coalition to design and implement the subsidy program;
- (4) Requiring HPD to issue and distribute vouchers for subsidies for booster car seats to nonprofit organizations operating child safety seat programs; and
- (5) Appropriating funds to be expended by HPD for the public awareness campaign and subsidy program.

The Keiki Injury Prevention Coalition/SAFE KIDS Hawaii, Occupational Therapy Association of Hawaii, Good Beginnings Alliance and an individual testified in support of this bill. The Department of Human Services supported the intent of this measure.

Booster seats and safety seats for children have been proven to save lives in motor vehicle crashes. Unfortunately, although Hawaii has a child booster seat law, many parents and caregivers are often unaware of the law's existence or are unable to meet the requirements of the law due to financial hardship. Your Committee finds that by educating the public about the importance of booster seats and by subsidizing the cost of these seats for low-income families, the lives of Hawaii's most precious resource, our keiki, will be protected.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 534, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 596 Transportation on H.B. No. 772**

The purpose of this bill is to protect Hawaii's fragile environment from invasive species by:

- (1) Requiring the Department of Agriculture (DOA) to prescribe a schedule of service fees and charges to be collected from persons who import objects that may harbor invasive species or personal property used for the movement of other personal property that may harbor invasive species;
- (2) Establishing the Invasive Species Inspection, Quarantine, and Eradication Fund (Eradication Fund) into which the service fees and charges collected, in addition to legislative appropriations, fees for permits and inspections, certain fines and penalties for violations, and federal funds, are to be deposited; and
- (3) Requiring funds in the Eradication Fund to be used for the operation of inspection and monitoring programs and facilities at ports of entry, and for emergency remedial measures when invasive species are detected.

The Department of Transportation, Department of the Attorney General, the Mayor of Maui County, the Council Chair of the Maui County Council, a member of the Maui County Council, Conservation Council for Hawaii, The Nature Conservancy, Hawaii Forest Industry Association, Sierra Club-Hawaii Chapter, and Hawaii Audubon Society testified in support of this bill. The Department of Land and Natural Resources, DOA, and Airlines Committee of Hawaii supported the intent of this measure. The Chamber of Commerce of Hawaii, Alexander and Baldwin, Inc., Matson Navigation Company, Inc., and Horizon Lines testified in opposition to this bill.

Invasive species have become a major problem for Hawaii's fragile ecosystem. Introduction of these pests not only affects Hawaii's natural flora and fauna but can also have a tremendous impact upon Hawaii's economy. Protecting Hawaii from the establishment of these pests should be a priority for the State.

However, your Committee understands the concerns raised by Hawaii's shipping industry, as well as the concerns raised by the Attorney General and DOA regarding the proposed funding mechanism conflicting with current statutory provisions. Accordingly, your Committee has amended this measure by:

- (1) Stipulating that the schedule of service fees and charges and the collection of appropriate service fees and charges established by DOA shall be for "pest", rather than "invasive species", inspection, quarantine, and eradication services;
- (2) Clarifying that service fees and charges shall be collected from persons importing any article, container or packing material;
- (3) Deleting the requirement that service fees or charges be paid to DOA before the article or means of conveyance is moved from the port of entry in the State;
- (4) Renaming the "Invasive Species Inspection, Quarantine, and Eradication Fund" to the "Pest Inspection, Quarantine, and Eradication Fund (Pest Fund)";
- (5) Requiring that penalties collected by DOA also be deposited into the Pest Fund;
- (6) Deleting the requirement that fees for permits and inspections and certain fines and penalties for violations be deposited into the Pest Fund;

- (7) Specifying that DOA shall use the funds from the Pest Fund for the operation of inspection and monitoring programs, related facilities, and the execution of remedial measures when pests are detected in the course of inspection and quarantine activities by DOA; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 772, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 772, H.D. 1.

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

**SCRep. 597 Transportation on H.B. No. 931**

The purpose of this bill is to promote the use of specially-designed three-wheeled mopeds by exempting three-wheeled mopeds designed to carry a driver and passenger seated side-by-side from certain prohibitions on the operation of mopeds.

Shamrock Importers, LLC, supported this bill. The Department of Transportation opposed this measure. The City and County of Honolulu submitted comments.

Your Committee notes that the three-wheeled mopeds described in this bill may provide a safer alternative to two-wheeled mopeds for residents and visitors who desire the low cost, convenience, and high gas mileage of mopeds, but who are nervous or unsure of driving a two-wheeled moped. However, your Committee also recognizes concerns raised regarding the safety of incorporating the three-wheeled moped in actual traffic conditions with much larger automobiles and trucks. Your Committee supports future legislative efforts to address these issues.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 931 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 598 Transportation on H.B. No. 1426**

The purpose of this bill is to prohibit deferred acceptance of guilty or no contest plea from an individual who holds a commercial driver's license and is charged with a traffic violation, other than a parking violation.

The Department of Transportation testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1426 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 599 Transportation on H.B. No. 1429**

The purpose of this bill is to protect state harbors by:

- (1) Increasing the ceiling on fines from \$10,000 to \$27,500 for violations of:
  - (A) Rules adopted by the Department of Transportation (DOT);
  - (B) The provisions of Chapter 266, Hawaii Revised Statutes; and
  - (C) Lawful commands of any harbor master, harbor agent, or harbor district manager;
 and
- (2) Clarifying that any vessel, agent, owner, or crew which violates rules of the DOT or the lawful commands of any harbor master, harbor agent, or harbor district manager, pertaining to federal, state, or county rules, shall be fined not more than \$27,500 for each violation.

DOT supported this bill.

Your Committee notes that the current ceiling on fines for violations is well below the amount that federal and state agencies may impose on landowners for violations of environmental regulations. The provisions of this bill will assist DOT in recovering fines imposed against DOT for violations of federal and state pollution laws committed by harbor users and tenants.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1429 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 600 Transportation on H.B. No. 1609**

The purpose of this bill is to assist the Department of Transportation (DOT) in expediting the repair of state roadways when the repairs are necessary to preserve or regain the integrity of the road or highway.

DOT and Maui Land and Pineapple Company, Inc. testified in support of this bill.

Currently, when a major highway or roadway is damaged by environmental impacts, DOT must comply with county special management area permit requirements to repair the road or highway. This is necessary even when the repair is urgent and is a process that cannot be waived by the county. Allowing DOT to be exempted from this permitting process when the repair or maintenance is necessary to preserve or regain the integrity of the road will preserve access to areas served by the roadway while maintaining proper oversight.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1609 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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



**SCRep. 601 Transportation on H.B. No. 1101**

The purpose of this bill is to assist Hawaii drivers who have moved out-of-state and later returned to Hawaii to obtain a Hawaii drivers license by permitting the Examiner of Drivers to waive the knowledge test where the applicant holds a valid license from another state or territory and the applicant's prior Hawaii license would have expired not more than one year after the date of the reapplication.

The Department of Transportation and two concerned individuals 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 allows drivers with a valid driver's license from another state to drive on our roadways. However, in order to obtain a Hawaii driver's license, the driver must pass a written examination. This test must also be passed by individuals who have returned to Hawaii after moving out-of-state and obtaining a driver's license from another state. Your Committee finds that since most jurisdictions accept driver's licenses from other states on a reciprocal basis, Hawaii should allow the Examiner of Drivers to waive the knowledge exam for these driver license applicants.

However, your Committee has also been notified by the City and County of Honolulu that a majority of the jurisdictions across the United States have adopted, or are currently adopting, uniform motor vehicle laws and are allowing the waiver of both knowledge and performance tests for applicants holding a valid drivers license from other jurisdictions.

As such, your Committee has amended this bill by deleting its contents and replacing it with language that allows the Examiner of Drivers to waive both the knowledge and performance tests for applicants holding a valid drivers license from another state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, a province of the Dominion of Canada, or the Commonwealth of the Northern Mariana Islands.

Your Committee has also amended this bill by changing its effective date from October 1, 2007, to upon approval and has made technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 602 Transportation on H.B. No. 1205**

The purpose of this bill is to clarify the content requirements for traffic abstracts.

The Judiciary testified in support of this bill.

Current law contains no limitation on the number of years that traffic violations are to be reported on traffic abstracts and also requires that allegations, even allegations that have been dismissed by the courts, be reported on traffic abstracts. Your Committee notes that this has raised questions regarding fairness by many drivers.

Your Committee has also been informed by the Judiciary that new, multi-charge citations allowing an officer to charge multiple offenses and infractions in one case are being used more often by law enforcement. As currently written, this measure would require non-moving violations and infractions, as well as dismissed offenses, in these multi-charge cases to be reported on an abstract. Accordingly, your Committee has amended this measure by clarifying that:

- (1) The abstract shall contain:
  - (A) Infractions or offenses arising from the operation of a motor vehicle that the person was adjudged to have committed and for which penalties imposed against the person have not been fully satisfied;
  - (B) Infractions or offenses arising from the operation of a motor vehicle that the person was adjudged to have committed and for which penalties imposed against the person have been fully satisfied, for a period of three years from the date of satisfaction; and
  - (C) All judgments permanently revoking the person's driver's license;
- (2) Penalties imposed against a person for an infraction or offense arising from the operation of a motor vehicle, whether civil or criminal, are fully satisfied when all court-ordered fines, fees, surcharges, costs, or monetary assessments imposed against the person for the infraction or offense have been paid and all court-ordered non-monetary sanctions have been complied with;
- (3) Adjudications that the person who committed the infractions or offenses, shall not be included in a certified abstract of the bureaus' record; and
- (4) In determining whether an infraction or offense arises from the operation of a motor vehicle, the statutory definition of "motor vehicle" shall be applicable to the particular infraction or offense.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1205, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Takumi.

**SCRep. 603 Economic Development & Business Concerns on H.B. No. 252**

The purpose of this bill is to curb speculative residential home sales by increasing the conveyance tax rates for sales of condominiums or single-family residences where the purchaser is ineligible for a county homeowner's property tax exemption.

The Nature Conservancy of Hawaii and Sierra Club-Hawaii Chapter supported this bill. The Department of Land and Natural Resources supported the intent of this measure. The Hawaii Association of REALTORS and Wyndham Vacation Ownership, Inc., opposed the bill. The Department of Taxation submitted comments.

Your Committee finds that specified percentages of the conveyance tax are paid into the Land Conservation Fund, Natural Area Reserve Fund, and Rental Housing Trust Fund. Thus, increasing the conveyance tax rate under this bill will increase the moneys available for watershed conservation, affordable housing programs, and the acquisition of legacy lands. However, it is not clear what effect the bill will have on the price and availability of housing in Hawaii, because any increase in taxes may be transferred by a seller to a purchaser simply by increasing the price of the home.

Your Committee has changed the effective date of the bill to July 1, 2034, to encourage further discussion of the issues raised by the measure and respectfully requests the Committee on Finance to review the financial impact of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 252, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 252, H.D. 1.

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

**SCRep. 604 Economic Development & Business Concerns on H.B. No. 1631**

The purpose of this bill is to allow the State to measure the success of its High Technology Business Investment Tax Credit (investment credit) by requiring taxpayers claiming the credit to file with the State Auditor, information allowing the Auditor to analyze the economic impact of the tax credit.

Numerous concerned individuals supported the bill. Honolulu Seawater Air Conditioning, LLC, Cellular Bioengineering, Inc., Ocean Engineering & Energy Systems International, LLC, Sunrise Capital, Inc., and a concerned individual opposed this measure.

Your Committee has amended this bill by removing its substance and requiring that:

- (1) A qualified high technology business (QHTB), by claiming the investment credit under section 235-110.9, Hawaii Revised Statutes (HRS), or the research activities credit under section 235-110.91, HRS, agrees to public disclosure of the name of their company;
- (2) QHTBs must file an annual report with the Department of Taxation (DoTax) containing information about their employment positions in the State;
- (3) DoTax must report this information in aggregate form to the Legislature each year, as well as the names of QHTBs receiving the credits; and
- (4) DoTax must use this information to evaluate how successful the investment and research credits have been and report its conclusions to the Legislature.

Your Committee finds that under the amended bill, the amount of tax credits claimed will not be disclosed except in aggregate form, and the names of non-QHTB investors will remain confidential.

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. 1631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1631, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 605 Economic Development & Business Concerns on H.B. No. 1752**

The purpose of this bill is to assess the effectiveness of tax credit incentives for increased economic productivity by providing for:

- (1) The disclosure by high technology businesses of information about these tax credits to the Department of Business, Economic Development, and Tourism (DBEDT); and
- (2) An analysis by DBEDT of the economic impact and effectiveness of these tax credits.

Numerous concerned individuals supported this bill. DBEDT supported the intent of this bill. Honolulu Seawater Air Conditioning, LLC, Oceanit, Cellular Bioengineering, Inc., Ocean Engineering & Energy Systems, LLC, ICAM, PacifiCap Group, and a concerned individual opposed this measure.

Your Committee has amended this bill by removing its substantive contents and inserting a new chapter, which is the result of discussions between Committee members and those testifying on the bill. As amended, this bill will create a uniform, standardized system of applications and mandatory yearly progress reports for all recipients of state tax credits worth \$10,000 or more annually, which will include information about the organization's business, employees, and jobs created and retained.

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. 1752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1752, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 606 Agriculture on H.B. No. 704**

The purpose of this bill is to protect and preserve the health and well-being of Hawaii's natural environment, as well as its people, by imposing a ten-year moratorium on testing, propagating, cultivating, raising, or growing genetically modified taro in the state.

A member of the Kauai County Council, Sierra Club, Hawaii Chapter, The Institute of Science in Society, Kipahulu Ohana, Kauai Taro Growers Association, and numerous concerned individuals supported this bill. The Department of Health, University of Hawaii, Hawaii Agriculture Research Center, Tropical Hawaiian Products, Hawaii Science & Technology Council, and numerous concerned individuals opposed this bill. The Department of Agriculture and HPC Foods, Ltd., submitted comments.

Your Committee has amended this measure by:

- (1) Shortening the time period of the moratorium from ten years to five years;
- (2) Deleting the purpose section and inserting a new purpose section that conveys the historical significance of taro to Hawaii's cultural heritage; and
- (3) Making technical nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 704, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.B. No. 704, H.D. 2.

Signed by all members of the Committee.

**SCRep. 607 Agriculture on H.B. No. 1114**

The purpose of this bill is to enhance the Agribusiness Development Corporation's (ADC's) ability to assist agricultural businesses, streamline its priorities, and provide more flexibility in its operations by, among other things:

- (1) Repealing certain powers and requirements, including:
  - (A) The requirement to develop the Hawaii Agribusiness Plan;
  - (B) Requirements to use funds from the Hawaii Agricultural Development Revolving Fund for designated purposes, including purchase of qualified securities issued by enterprises for seed capital; and
  - (C) The power to conduct research and marketing analysis, and to develop marketing strategies;
 to refocus ADC's efforts on its core mission of assisting in the transition of the state's agricultural industry from plantation farming to diversified agriculture;
- (2) Repealing the requirement that all agricultural projects, development plans, and project facility programs developed by ADC be approved by the Board of Agriculture;
- (3) Making the use of ADC funds exempt from the Procurement Code; and
- (4) Exempting ADC from more provisions governing administrative supervision of boards and commissions, with certain exceptions.

Two members of the Board of ADC, Hawaii Farm Bureau Federation, Maui County Farm Bureau, East Kauai Water Users' Cooperative, and Kauai County Farm Bureau supported this bill. ADC and the Hawaii Agriculture Research Center supported the intent of this measure.

Your Committee notes that concerns were raised during the public hearing regarding the need for more personnel resources as ADC separates itself from the administrative oversight of the Department of Agriculture.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation of an unspecified amount to fund 2 FTE positions, an engineer and a special assistant, for the ADC;
- (2) Clarifying that the Governor's report is due to the Legislature no later than twenty days prior to the convening of the Regular Session of 2008; 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1114, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hanohano, Manahan and Ching.

**SCRep. 608 Human Services & Housing/Health on H.B. No. 1830**

The purpose of this bill is to provide a safe haven for newborns by:

- (1) Providing immunity from prosecution for persons leaving an unharmed newborn at a hospital, fire station, or police station;
- (2) Providing immunity from liability for personnel who receive the newborn; and
- (3) Requiring written information on the family medical history of the child.

The Hawaii Family Support Institute, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and several concerned individuals testified in support of this bill. The Healthy Mothers, Healthy Babies Coalition of Hawaii supported the intent of this measure. The Department of Human Services provided comments.

Your Committees have amended this bill by:

- (1) Allowing emergency medical services personnel to receive a newborn child under the protection this measure allows;
- (2) Requiring personnel to make a reasonable effort to obtain certain information pertaining to the child from the person leaving the child; 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 & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1830, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1830, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative and Cabanilla.

**SCRep. 609 Human Services & Housing on H.B. No. 1167**

The purpose of this bill is to appropriate \$3,000,000 to support homeless shelter programs in the County of Hawaii.

The Mayor of the County of Hawaii, County of Hawaii Office of Housing and Community Development, and Catholic Charities Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1167 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takai.

**SCRep. 610 Consumer Protection & Commerce on H.B. No. 220**

The purpose of this bill is to improve Hawaii's healthcare system by limiting the amount of non-economic damages that may be awarded in medical tort actions, contingent upon insurers' compliance with professional liability insurance rate caps.

The State Administration, Department of Commerce and Consumer Affairs, John A. Burns School of Medicine of the University of Hawaii at Manoa, Hawaii Medical Association, Kaiser Permanente, Healthcare Association of Hawaii, Hawaii Association of Health Plans, Medical Insurance Exchange of California, and numerous concerned individuals testified in support of this bill. The Consumer Lawyers of Hawaii and a concerned individual opposed this measure. The Department of the Attorney General and a concerned individual submitted comments.

Your Committee has amended this measure by clarifying that this measure does not affect the rights of the State as a tortfeasor regarding joint and several liability under section 663-10.5, Hawaii Revised Statutes.

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. 220, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 220, H.D. 2.

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

**SCRep. 611 Consumer Protection & Commerce on H.B. No. 770**

The purpose of this bill is to provide for the orderly transition of a dental practice during contingencies by allowing the executor or administrator of a dentist's estate or the legal guardian or authorized representative of a dentist to contract with a licensed dentist to continue the operations of the deceased or incapacitated dentist for up to one year.

The Hawaii Dental Association and two concerned individuals testified in support of this bill. The Board of Dental Examiners supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Fulfilling the intent of the bill by providing an exemption for the ownership and management of a dental practice by the executor or administrator of a dentist's estate or the legal guardian or authorized representative of a dentist, where the licensed dentist has died or is incapacitated, for the purpose of winding down, transferring, or selling the practice, rather than adding a new section to the 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 770, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 770, H.D. 1.

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

**SCRep. 612 Legislative Management on H.B. No. 381**

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

- (1) The Governor, in filling vacancies, to select a replacement from a list of three prospective appointees nominated by the political party of the prior incumbent; and
- (2) The prospective appointees to be registered members of the nominating political party for at least six months prior to the appointment.

The League of Women Voters of Hawaii and a concerned individual testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 381, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 613 Consumer Protection & Commerce on H.B. No. 56**

The purpose of this bill is to advance initiatives that provide healthcare insurance for all Hawaii residents by establishing the Hawaii Health Commission (Commission) to develop a health plan covering all individuals in the state. The Commission will determine:

- (1) Eligibility for the health plan;
- (2) All reimbursable services under the plan;
- (3) All approved providers of services under the plan;
- (4) A method to evaluate the quality and cost-effectiveness of all aspects of the plan; and
- (5) A budget for the plan.

The Healthcare Association of Hawaii, Kokua Council, Hawaii Alliance for Retired Americans, National Alliance on Mental Illness-Oahu, National Association of Social Workers-Hawaii Chapter, and several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs, Department of Budget and Finance, and State Farm Mutual Automobile Insurance Company opposed this measure.

Your Committee has amended this bill by:

- (1) Inserting a sunset provision for the Commission when the plan has been submitted; 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. 56, 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. 56, H.D. 2.

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

**SCRep. 614 Education on H.B. No. 531**

The purpose of this bill is to amend Hawaii's early intervention services law to be consistent with the Individuals with Disabilities Education Act of 2004 (IDEA).

The Hawaii Down Syndrome Congress, The Aloha Place, and several concerned individuals testified in support of this bill. The Department of Education (DOE) and State Council on Developmental Disabilities supported the intent of this measure. The Department of Health (DOH) and Hawaii Early Intervention Coordinating Council opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying the provisions of IDEA that pertain to the bill, including ensuring that:
  - (A) Parents of children with disabilities who are served under IDEA are provided with annual notice that contains a description of their rights to elect to receive services, and an explanation of the differences between the services provided by the early intervention section of DOH and by DOE;
  - (B) Services provided include an educational component that promotes school readiness and incorporates pre-literacy, language, and numeracy skills;
  - (C) The right of any child to receive a free appropriate public education under IDEA is not affected;
  - (D) Early intervention services are continued while any eligibility determination is being made for services; and
  - (E) The parents of infants or toddlers with disabilities provide informed, written consent to the State before the infants or toddlers reach three years of age, as to whether the parents intend to choose to continue early intervention services for their infants or toddlers;

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 531, 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. 531, H.D. 2.

Signed by all members of the Committee.

**SCRep. 615 Education on H.B. No. 1722**

The purpose of this bill is to improve early childhood education in the state by, among other things:

- (1) Enhancing the quality of early education programs serving three- and four-year-old children by providing incentives to early educators;
- (2) Ensuring the availability of facilities for early childhood education programs; and
- (3) Enhancing the quality of junior kindergarten by providing for more faculty, professional development, and classroom materials.

The Department of Education (DOE), Hawaii Teacher Standards Board, and Keiki O Ka Aina Family Learning Centers testified in support of this bill. The Early Learning Educational Task Force and Hawaii State Teachers Association supported the intent of this measure. The Hawaii Down Syndrome Congress opposed this bill.

Your Committee has amended this bill by:

- (1) Requiring the University of Hawaii College of Education, rather than DOE, to award the contract to administer the Early Childhood Educator Incentive Program (Program);
- (2) Clarify that the Program shall provide incentives for early childhood education programs;
- (3) Removing the stipulation that early childhood education programs can only receive wage subsidies for designating unlicensed employees who agree to work for no fewer than three years following licensure;
- (4) Inserting an appropriation for additional family-child interaction programs located on public elementary school campuses, to be expended by the Department of Health, Family Health Service Division, Parenting Support Programs; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style, including clarifying the purpose language to provide the appropriate background for the bill and to reflect the amendments 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 H.B. No. 1722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1722, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 616 Judiciary on H.B. No. 483**

The purpose of this bill is to protect the people of Hawaii from unscrupulous financial services by requiring the Department of Commerce and Consumer Affairs (DCCA) to regulate the check cashing industry through licensing requirements.

The Legal Aid Society of Hawaii testified in support of this bill. The Hawai'i alliance for Community Based Economic Development supported the intent of this measure. DCCA submitted comments.

Your Committee still has reservations and concerns regarding the nature of the activities regulated by the license proposed in this measure for check cashing operations. Specifically, it is not clear how a check casher is expected to determine a customer's gross monthly income, nor is it clear how a check casher will be able to determine if a customer is already a party to an existing deferred deposit agreement. Your Committee respectfully requests that the Committee on Finance examine these issues more closely.

Your Committee has amended this bill by:

- (1) Enhancing its legal enforceability and clarity. Although the Committee does not doubt the need for check cashers to be of good character, Section 1 has been amended to delete undefined and overly broad reference to a requirement for same. Similarly, although certain types of operations may not be desirable in certain locales, a reference to locations "not in the public interest" has been deleted, as no guidelines were proposed to determine such locations;
- (2) Deleting Section 6 for the purpose of consistency with the intent of this measure. Section 6 would have repealed an exemption currently allowing businesses such as supermarkets or other retailers or merchants to cash checks for their customers for a nominal fee, if any;
- (3) Changing its effective date to January 1, 2050, to promote 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. 483, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 483, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 617 Judiciary on H.B. No. 963**

The purpose of this bill is to provide for a fair and equitable procurement contract between the government (State or county) and an architect, engineer, surveyor, or landscape architect, who is licensed under Chapter 464, Hawaii Revised Statutes (Contractor), by:

- (1) Prohibiting contracts of less than \$1,000,000 with a Contractor from having clauses that require the Contractor to defend the government from liabilities or actions arising from the Contractor's performance under the contract (Defense Clause); and
- (2) Specifically, providing that the contract may require the Contractor to indemnify and hold harmless the government from any liabilities.

The Coalition of Hawaii Engineering and Architectural Professionals; ECS, Inc.; Consulting Structural Hawaii, Inc.; Gray, Hong, Nojima, & Associates, Inc.; The Limtiaco Consulting Group; Masa Fujioka & Associates; and KAI Hawaii, Inc. supported this bill. The American Council of Engineering Companies of Hawaii supported the intent of this measure. The Small Business Regulatory Review Board submitted comments.

Your Committee has amended this bill by:

- (1) Changing the threshold amount of the procurement contract to less than \$5,000,000;
- (2) Prohibiting Defense Clauses in contracts entered on or after July 1, 2007;
- (3) Clarifying that the Contractor's obligation to indemnify and hold harmless the government covers liabilities arising from the negligent acts and errors or omissions in the performance of the Contractor's professional services;
- (4) Requiring the government to commence legal action against a Contractor that is based on a Defense Clause in a pre-July 1, 2007 contract, within ten years from the date of execution of the contract;
- (5) Changing the effective date to January 1, 2112; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 963, 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. 963, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 618 Judiciary on H.B. No. 1757**

The purpose of this bill is to provide relief to the property motor carrier industry by eliminating:

- (1) Restrictions on the total gross weight of a vehicle as applied to any:
  - (A) Single axle on a vehicle; or
  - (B) Group of two or more consecutive axles on a vehicle or combination of vehicles;
 and
- (2) Fines for second, third, or subsequent weight violations.

The Hawaii Transportation Association testified in support of this bill. The Department of Transportation opposed this measure.

Your Committee notes that under the provisions of this bill, a significant amount of federal aid might be lost due to non-compliance with federal regulations for certification of vehicle size and weight. Accordingly, your Committee has amended this bill by deleting the provisions that eliminate the restrictions on the total gross weight of a vehicle.

Your Committee has further amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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. 1757, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1757, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 619 Judiciary on H.B. No. 1792**

The purpose of this bill is to explore new, alternative methods of treating those addicted to crystal methamphetamine (crystal meth) by:

- (1) Requiring the Department of Health (DOH) and the chairs of the health committees of the Senate and House of Representatives to review the pilot studies conducted in other states on the use of the PROMETA treatment protocol to address withdrawal cravings of crystal meth addicts;
- (2) Requiring, if the review is favorable, the State to develop a plan to adopt the PROMETA treatment protocol as an alternative treatment for persons convicted of substance abuse or related offenses;
- (3) Appropriating funds for (1) and (2); and
- (4) Requiring DOH to submit a progress report prior to the convening of the Regular Session of 2008, and a report of its findings and recommendations, including any proposed legislation, prior to the convening of the Regular Session of 2009.

Several concerned individuals supported this bill. DOH and a concerned individual opposed this measure.

Your Committee finds that the PROMETA treatment protocol may represent another valuable tool in efforts to address the growing epidemic of crystal meth addiction. This measure requires a thorough study of the PROMETA treatment protocol, and a favorable review, before the protocol is adopted.

Your Committee has amended this measure by:

- (1) Revising the reporting provisions by:
  - (A) Deleting the progress report; and
  - (B) Making the findings and recommendations report due no later than 20 days prior to the convening of the Regular Session of 2008;
- (2) Clarifying the appropriation for the development of a plan to adopt the PROMETA treatment protocol by:
  - (A) Changing the time period of the appropriation to fiscal year 2008-2009; and
  - (B) Specifying that the appropriation is contingent on a favorable report from DOH;

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. 1792, 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. 1792, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 620 Judiciary on H.B. No. 323**

The purpose of this bill is to alleviate the problem of automobile theft on Oahu by providing a grant-in-aid to the City and County of Honolulu to establish a "car baiting" pilot program.

The Hawaii Insurers Council testified in support of this bill with amendments.

Your Committee has amended this measure by changing its effective date to July 1, 2112, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 323, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 621 Judiciary on H.B. No. 1656**

The purpose of this bill is to improve the service of processes by:

- (1) Codifying court rules that establish who may serve process and subpoenas in civil actions;
- (2) Requiring that all writs and court orders be served by a civil court officer or private investigator;
- (3) Establishing standards and procedures for registering civil process servers;
- (4) Establishing standards of conduct for private process servers; and
- (5) Establishing an Office of Civil Process Commission to regulate civil process servers.

The Hawaii Deputy Sheriffs' Association testified in support of this bill. The Attorney General and Judiciary opposed this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2050, 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. 1656, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1656, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 622 Labor & Public Employment on H.B. No. 970**

The purpose of this bill is to enhance the transparency and accountability of the reporting system for workers' compensation insurers by requiring insurers to provide an annual report to the insurance commissioner that reports the costs of its policies including the costs of:

- (1) Independent Medical Examinations;
- (2) Legal services; and
- (3) Administration.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this bill. The Hawaii Insurers Council testified in opposition to this measure. The Department of Labor and Industrial Relations and Department of Commerce and Consumer Affairs submitted comments.

Cost and services of Hawaii's workers' compensation industry have always been a concern for both employers and employees. The transparency provided by this bill will assist both employers and employees in assessing the efficiency with which insurers are spending workers' compensation funds and the benefits derived from these expenditures. However, your Committee notes that since DLIR currently is responsible for workers' compensations laws in Hawaii, it may be more appropriate for the information to be reported to the Director of Labor and Industrial Relations (Director) rather than the Insurance Commissioner.

Accordingly, your Committee has amended this measure by requiring that:

- (1) The reports made by insurers be submitted to the Director; and
- (2) The Director designate and approve a standard form to be used for the annual reports.

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 970, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 970, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 623 Labor & Public Employment on H.B. No. 1279**

The purpose of this bill to lay the foundation for an innovation economy by:

- (1) Establishing the Hawaii Innovation Investment Fund, a professionally-managed fund of funds in which the Employees' Retirement System may invest moderate amounts in Hawaii venture capital;
- (2) Improving the State's ability to measure the productivity of and establish benchmarks for the growth of Hawaii's economy;
- (3) Supporting the operations and programs of a state-operated technology incubator and innovation center in the Kaka'ako district of Honolulu;
- (4) Establishing a local incubator facility to develop Hawaii's digital media infrastructure for film and television productions and interactive game development;
- (5) Establishing the Music and Enterprise Learning Experience Program at the University of Hawaii (UH) - Honolulu Community College to develop the technical and business skills required by Hawaii's artists and music industry; and
- (6) Enhancing the ability of UH's Office of Technology Transfer and Economic Development to increase commercialization and the number of licensing agreements through a partnership with a qualified and experienced private sector entity.

Testimony in support of this bill was submitted by the Governor, Department of Business, Economic Development, and Tourism (DBEDT), University of Hawaii Office of Technology Transfer and Economic Development, High Technology Development Corporation, Kamehameha Schools, Technical Research Associates, Inc., The Hawaii Open Source Education Foundation, and Ambient Micro, LLC., testified in support of this bill. The University of Hawaii and Hawaii Science and Technology Council supported the intent of this measure. The Employees' Retirement System (ERS) commented on the bill.

Investment in technology and the emergence of innovation sector companies such as Hawaii Biotech and Hoku Scientific, investments in new innovative technology efforts such as the Music and Enterprise Learning Experience Program for the development of Hawaii's music artists and industry, are some ways in which Hawaii can expand its economy. This bill provides a means of financing required to grow Hawaii's emerging innovation companies and allow them to remain in Hawaii.

However, this is a complex issue. Serious concerns regarding the method of financing and other means used in this measure to achieve the goal of developing Hawaii's innovation economy have been raised. While your Committee believes these goals to be worthwhile, further discussion on this matter is warranted. Accordingly, your Committee has amended this measure by:

- (1) Removing language establishing the Hawaii Innovation Investment Fund in which the ERS would be allowed to invest moderate amounts in Hawaii venture capital;
- (2) Deleting all references to the Hawaii Innovation Fund;
- (3) Inserting language authorizing the ERS to conduct limited investments in privately-held Hawaii companies;
- (4) Deleting the authorization for the expenditure of funds from the Hawaii Innovation Fund by the Hawaii Strategic Development Corporation;



- (5) Changing its effective date to July 1, 2059; 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1279, 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. 1279, H.D. 2.

Signed by all members of the Committee.

**SCRep. 624 Labor & Public Employment on H.B. No. 1379**

The purpose of this bill is to conform State Unemployment Insurance (UI) law to federal law by:

- (1) Excluding services by certain temporary migrant agricultural workers who are residents of foreign countries from the employment security law; and
- (2) Treating Indian tribes similarly to government and nonprofit groups in providing coverage under the employment security law.

The Department of Labor and Industrial Relations (DLIR), Hilo County Farm Bureau, and a concerned individual testified in support of this bill.

Hawaii is currently experiencing a worker shortage, and many businesses, especially agricultural industries, have been forced to hire employees from foreign countries on a temporary basis. Under current law, these businesses are required to pay state unemployment taxes on these individuals even though they will never qualify to collect unemployment benefits. This measure attempts to remedy this situation.

Your Committee received testimony from DLIR, stating that failure to enact language conforming state law to federal law with regards to Indian tribes will result in the loss of certification for tax credits for all employers liable for Federal Unemployment Tax Act taxes and that passage of this measure is necessary to avoid this loss.

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. 1379 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 625 Labor & Public Employment on H.B. No. 106**

The purpose of this bill is to assist unemployed individuals by:

- (1) Creating a self-employment assistance program to help unemployed individuals start their own businesses; and
- (2) Allowing eligible unemployed individuals to receive weekly unemployment insurance benefits while working full-time towards starting their own businesses, rather than seeking employment.

The Hawaii Alliance for Community Based Economic Development testified in support of this bill. The Hawaii Business League testified in opposition to this measure. The Department of Labor and Industrial Relations submitted comments.

Self-employment is an excellent opportunity for individuals to support themselves and their families. Allowing individuals to receive unemployment insurance benefits while working full-time towards establishing a business is one mechanism to achieve this self-reliance.

However, your Committee recognizes the concerns raised by the Hawaii Business League regarding the funding mechanism for this venture. Accordingly, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 106, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Souki and Meyer.

**SCRep. 626 Labor & Public Employment on H.B. No. 855**

The purpose of this bill is to ensure that injured employees receive uninterrupted medical care, even if the employer denies further treatment, until the Director of Labor and Industrial Relations (Director) renders a final decision on the matter.

The Hawaii Chapter-American Physical Therapy Association, Hawaii State AFL-CIO, Hawaii Government Employees Association, Hawaii State Chiropractic Association, ILWU Local 142, and numerous individuals testified in support of this bill.

The Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii Insurers Council, Hawaii Employers' Mutual Insurance Company, Hawaii Independent Insurance Agents Association, National Federation of Independent Businesses, Property Casualty Insurers Association of America, The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Association of Building Contractors, and Society for Human Resource Management-Hawaii Chapter opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the medical services intended to be continued until the Director's final decision shall be of an essential nature necessary to prevent deterioration or further injury;
- (2) Requiring the Director to render a decision on the continuation of the treatment within 30 days;
- (3) Allowing the injured employee to be charged for disallowed services only under fraud situations;
- (4) Allowing the parties to request the Director to review the denial of the treatment plan or the continuation of medical 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 855, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 627 Labor & Public Employment on H.B. No. 856**

The purpose of this bill is to encourage employees who have suffered work-related injuries to return to work by allowing an employee who has been deemed unable to return to the employee's original position due to a work injury to be referred by the Director of Labor and Public Employment (Director) for vocational rehabilitation services when an employer has made no offer of permanent suitable work.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this bill. The Department of Human Resources Development, Department of Labor and Industrial Relations, and Hawaii Employers' Mutual Insurance Company, Inc. (HEMIC) testified in opposition to this measure.

Your Committee notes that current law 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 even though the injury may have stabilized.

However, your Committee recognizes the concerns raised by HEMIC that the term "stabilize" is ambiguous and may be interpreted to mean that an individual's injury is not worsening but still may improve. As such, an injured worker with an injury that has "stabilized" may not be permanently disabled. However, the term "maximum medical improvement" is a more definite term that means that an injury has healed to the point where no further improvement to that condition is expected. Accordingly, your Committee has amended this bill by:

- (1) Specifying that the Director may refer individuals for vocational rehabilitation services who have been deemed unable to return to their regular job after their injury has reached "maximum medical improvement" rather than "stabilized"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 856, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 856, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Souki and Meyer.

**SCRep. 628 Labor & Public Employment/Public Safety & Military Affairs on H.B. No. 1817**

The purpose of this bill is to assist the county police departments with the retention of their police officers by allowing police officers to receive a maximum retirement allowance of 100 percent of an officer's average final compensation.

The Honolulu Police Department, County of Hawaii Police Department, and State of Hawaii Organization of Police Officers testified in support of this bill. The Employers Retirement System opposed this measure. The Attorney General submitted comments and concerns.

One of the major problems facing Hawaii's police departments involves personnel shortages. In fact, all island police departments combined are currently experiencing a shortage of 334 officers. The problem is exacerbated by the fact that retention of highly trained police officers continues to be a problem as officers continue to leave Hawaii for higher paying positions on the mainland. Providing officers with a maximum retirement incentive may help alleviate some of these shortages.

However, your Committees have been informed by both the Attorney General and ERS that, as currently written, the bill only applies to police officers hired prior to 1928 and that statutory references and amendments need to be changed in order for the bill to achieve its intended purpose. Accordingly, your Committees have amended this bill by deleting its contents and:

- (1) Inserting language referencing the correct section of statutes addressing the retirement of police officers;
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1817, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1817, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 629 Human Services & Housing on H.B. No. 1095**

The purpose of this bill is to enhance the authority of the counties to develop affordable housing by clarifying their ability to issue revenue bonds to assist in the development of low- and moderate-income housing by non-profit organizations or public instrumentalities.

The Mayor of the County of Hawaii and UniDev Hawaii, LLC, testified in support of this bill. The Department of Community Services of the City and County of Honolulu supported the intent of this measure. Kamehameha Schools offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1095 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 630 Human Services & Housing on H.B. No. 1096**

The purpose of this bill is to assist low- and moderate-income first-time homebuyers by providing qualified homebuyers, through a state mortgage credit certificate program, with an income tax credit of up to 20 percent but not to exceed \$2,000 of the annual mortgage interest payment.

The Hawaii Association of REALTORS and UniDev Hawaii, LLC testified in support of this bill. The Department of Taxation (DOTAX) opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests the Committee on Finance to look at the concerns of DOTAX.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1096 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 631 Human Services & Housing on H.B. No. 1137**

The purpose of this bill is to increase fire safety by establishing a tax deduction of up to \$7,000 for the installation of an automatic fire sprinkler system in residences.

The State Fire Council and Honolulu Fire Department testified in support of this bill. The Department of Taxation (DOTAX) opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests the Committee on Finance to review and address the concerns raised by DOTAX.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1137 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 632 Human Services & Housing on H.B. No. 1170**

The purpose of this bill is to assist the homeless with transitioning back into the community and attaining self-sufficiency by appropriating \$12,000,000 to support the West Hawaii Permanent Housing Program.

The Mayor of the County of Hawaii, County of Hawaii Office of Housing and Community Development, and Catholic Charities Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1170 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takai.

**SCRep. 633 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 150**

The purpose of this bill is to provide more funding for shelter and services to homeless and low-income individuals and families by:

- (1) Increasing from 30 to 65 percent, the allocation of the conveyance tax to the Rental Housing Trust Fund (RHTF);
- (2) Appropriating \$30,000,000 in each year of fiscal biennium 2007-2009 for the purposes of the RHTF;
- (3) Appropriating an unspecified amount of funds in each year of fiscal biennium 2007-2009 to repair and renovate state public housing;
- (4) Appropriating \$15,000,000 in each year of fiscal biennium 2007-2009 for outreach and supportive services to homeless individuals and families;
- (5) Appropriating \$15,000,000 in each year of fiscal biennium 2007-2009 to provide support services at emergency and transitional shelters to the homeless; and
- (6) Appropriating \$3,000,000 in fiscal year 2007-2008 and \$4,000,000 in fiscal year 2008-2009 for matching funds for Shelter Plus Care grants.

The Department of Community Services of the City and County of Honolulu, Institute for Human Services, Inc., Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Catholic Charities Hawaii, Partners in Care, Hawaii Association of REALTORS, and a concerned individual testified in support of this bill. The Hawaii Housing Finance and Development Corporation and the Hawaii Public Housing Authority supported the measure in part. The Department of Taxation supported the intent of this bill. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 150, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 634 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 832**

The purpose of this bill is to ensure that the 125 employees' and retirees' families living in the 120 homes in the Kunia plantation camp, which is leased by Del Monte from Campbell Estate until 2008, do not lose their homes when Del Monte Fresh Produce shuts down its operations, by:

- (1) Directing the Land Survey Division of the Department of Accounting and General Services to determine the boundaries of the Kunia camp, including a nearby site that was the subject of a hazardous waste cleanup operation under the federal government, and adequate egress and ingress from the homes to the nearest public highway; and
- (2) Making an appropriation for the purchase, improvement, and refurbishment of the Kunia plantation camp from Campbell Estate for the eventual resale of the homes to the current residents.

The ILWU Local 142, National Federation of Filipino American Associations Region 12, Filipino Coalition for Solidarity, and a concerned individual testified in support of this bill. The Department of Accounting and General Services opposed this measure. The Attorney General provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 832 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 635 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1602**

The purpose of this bill is to assist the counties in planning and constructing increased infrastructure to accommodate future growth by establishing the County Infrastructure Capacity Construction Loan Revolving Fund (Revolving Fund), which would allow the counties to borrow money from the State at a lower interest rate than the

market rate for infrastructure capital improvement projects approved by the respective county council to increase infrastructure capacity. This bill also appropriates an unspecified amount of funds to be deposited into the Revolving Fund.

The Department of Planning and Permitting of the City and County of Honolulu and the Land Use Research Foundation of Hawaii testified in support 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 Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1602 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 636 Water, Land, Ocean Resources & Hawaiian Affairs/Human Services & Housing on H.B. No. 1072**

The purpose of this bill is to address the affordable housing shortage in Hawaii by creating a Kakaako Affordable Housing Development Program and Fund in the Kakaako Community Development District to provide subsidies and other assistance for the new construction, rehabilitation, acquisition, or preservation of certain multifamily ownership housing units for persons and families with incomes at or below 140 percent of the median family income.

The Hawaii Community Development Authority and the Office of Hawaiian Affairs testified in support of this bill. The Hawaii Housing Finance and Development Corporation supported this bill in part and opposed it in part. The Department of Budget and Finance opposed this measure.

Your Committees have amended this bill by:

- (1) Clarifying that eligible projects must be for housing that would be kept affordable in perpetuity; 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 Water, Land, Ocean Resources & Hawaiian Affairs and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1072, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1072, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Morita, Saiki, Awana and Thielen.

**SCRep. 637 Labor & Public Employment on H.B. No. 16**

The purpose of this bill is to improve the efficiency of school health functions by:

- (1) Repealing the school health services program currently operating within the Department of Health (DOH);
- (2) Repealing the transfer from DOH to the Department of Education (DOE) of public health nurses who supervise school health aides; and
- (3) Creating a school health services program in DOE.

DOE, DOH, and a concerned individual testified in support of this bill. The Hawaii Government Employees Association opposed this measure.

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. 16, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 638 Labor & Public Employment on H.B. No. 32**

The purpose of this bill is to ensure that state dollars are used to create jobs within and not outside of the United States, by prohibiting state governmental bodies from contracting with or providing economic development assistance to companies that will outsource the work to other countries.

The Hawaii State AFL-CIO and a concerned individual testified in support of this bill.

Current employment trends across the country include outsourcing of employment to workers from foreign countries who are paid low wages. In fact, a recent study has indicated that the United States may lose up to 14 million jobs due to this outsourcing.

Your Committee finds that outsourcing not only affects the employee but also affects every taxpayer in the nation because of the pressures of increased unemployment due to outsourcing placed on the social services of this country. Ensuring that Hawaii's tax dollars are used to support the creation of jobs within our State and not overseas is a prudent approach to this problem.

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. 32, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 639 Labor & Public Employment on H.B. No. 212**

The purpose of this bill is to improve the quality of health care for all of Hawaii's residents by requiring the Department of Health to develop and maintain a secure statewide comprehensive health care workforce map and database on the supply, demand, and distribution of health care workers in Hawaii.

The Mayor of the County of Hawaii, Hawaii Medical Services Association, and a concerned individual testified in support of this bill.

Hawaii is currently experiencing a shortage of health care workers, particularly on the Neighbor Islands. Your Committee finds that the development of a map and database to identify areas of need for health care workers is an important step in solving this public health problem.

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. 212, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 640 Labor & Public Employment on H.B. No. 1672**

The purpose of this bill is to improve the ability of the legislative services agencies to hire and retain the most qualified individuals by increasing the maximum salary payable to the first assistant or first deputy in the Office of the Auditor, Legislative Reference Bureau (LRB), and Office of the Ombudsman from not more than 87 percent to not more than 92 percent of the salary of the respective agency's director.

LRB, the State Auditor, Ombudsman, and Hawaii State Teachers Association testified in support of this bill.

Your Committee recognizes that Act 225, Session Laws of Hawaii 2005, provided the heads of executive departments with the authority to establish the salaries of their deputies in a range from 87 to 92 percent of their own. This measure provides equity to deputies and first assistants in the legislative branch of government.

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. 1672 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 641 Labor & Public Employment on H.B. No. 223**

The purpose of this bill is to support Hawaii's health care safety-net by:

- (1) Earmarking general excise tax (GET) revenues generated by health care services to go toward supporting:
  - (A) Trauma services;
  - (B) Health care workforce development for medically underserved areas of the state;
  - (C) Improved statewide aeromedical transport systems;
  - (D) Rural hospitals;
  - (E) Medical malpractice subsidies for subspecialists;
  - (F) Reimbursements for health care providers' services rendered to Medicaid patients;
  - (G) The Department of Human Services' (DHS) Hawaii Childrens' Health Care Program; and
  - (H) Subsidies for part-time worker insurance plans for people who do not qualify for employer-provided health insurance under the Prepaid Health Care Act;
- (2) Establishing the Health Care Reinvestment Fund (Health Care Fund) to be administered by the Department of Health (DOH); and
- (3) Establishing the Health Insurance Support Special Fund to be administered by the Department of Human Services (DHS).

The Hawaii Medical Services Association, The Queen's Medical Center, and The Chamber of Commerce of Hawaii testified in support of this bill. The Healthcare Association of Hawaii supported this measure with amendments. DOH supported the intent of this bill. The Department of Budget and Finance did not support this measure. The Department of Taxation (DOTAX) opposed this bill in part and submitted comments on this bill.

Quality health care is critical to the societal well-being of the people of Hawaii. Moreover, Hawaii's health care industry plays a pivotal role in Hawaii's economic well-being, serving as Hawaii's second largest private industry and employing thousands of people statewide. Maintaining this health care system will allow Hawaii to continue to maintain its status as the "Health State".

However, while the health care industry in Hawaii is important, your Committee understands the effects that the earmarking of GET revenues may have on the overall fiscal outlook of the State. Your Committee also notes the concerns raised by DOTAX that earmarking of GET moneys is a difficult and costly process and that to achieve the outcome desired by this measure a general fund appropriation may be more appropriate. Accordingly, your Committee respectfully requests the Committee on Finance to study this issue further and has amended this measure by:

- (1) Deleting the provision earmarking GET revenues generated by health care services to be deposited into the Health Care Fund, and instead, allocating \$1 in direct appropriations to the Health Care Fund to support various health care services in Hawaii;
- (2) Clarifying that the report submitted by DOH to the Legislature on the status of the Health Care Fund include the amount of moneys expended rather than the amount of moneys taken in and expended;
- (3) Changing the appropriations out of the Health Care Fund and into and out of the Health Insurance Support Special Fund to \$1 to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 223, 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. 223, H.D. 2.

Signed by all members of the Committee.

**SCRep. 642 Labor & Public Employment on H.B. No. 1365**

The purpose of this bill is to clarify that the Board of Trustees of the State Deferred Compensation Plan (Compensation Plan) and State Deferred Compensation Retirement Plan (Retirement Plan) for part-time, temporary, and seasonal or casual employees may select and offer participants, investment products that are commonly offered in the securities industry or other deferred compensation plans that are determined to be reasonable and prudent investment products.

The Department of Human Resources Development, Board of Trustees for both the Compensation Plan and Retirement Plan (Boards) for part-time, temporary, and seasonal or casual employees, and Office of Hawaiian Affairs testified in support of this bill.

The securities industry is a dynamic industry that is constantly changing and offering new types of investment products to the public. Allowing the Boards to select and offer investment products that are prudent and reasonable investments and that keep pace with current securities industry practice is a good means of adapting quickly to an ever-changing economic environment.

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. 1365 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 643 Labor & Public Employment on H.B. No. 1366**

The purpose of this bill is to clarify the special separation incentive benefit afforded to public employees by:

- (1) Clarifying that the Department of Human Resources Development's(DHRD) authority to provide separation incentives is limited to the various departments and agencies of the Executive Branch, excluding the Department of Education;
- (2) Clarifying that DHRD's authority does not extend to departments and agencies in other personnel jurisdictions;
- (3) Clarifying that separation incentive provisions are applicable to and shall be complied with by other jurisdictions, whenever they opt to participate and use special retirement incentives;
- (4) Including Class H members of the Employees' Retirement System (ERS) among the members qualified for the special incentive retirement benefit;
- (5) Lengthening the time period to notify the ERS from 90 to 150 days prior to an employee's retirement date; and
- (6) Extending the special retirement incentive benefit for an additional five years to 2013.

DHRD testified in support of this measure. ERS submitted comments.

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. 1366 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 644 Labor & Public Employment on H.B. No. 763**

The purpose of this bill is to make adjustments to the workers' compensation statute to ensure efficiency and fairness in the claims and dispute processes, including but not limited to:

- (1) Limiting an employer's ability to terminate workers' compensation benefits;
- (2) Authorizing the recovery of attorney's fees and costs by the injured employee;
- (3) Specifying procedures for medical examinations by an employer's physician;
- (4) Establishing fines for violations;
- (5) Requiring the reporting of denials of claims and other relevant information; and
- (6) Restricting the Director of Labor and Industrial Relations (Director) rulemaking authority.

ILWU Local 142, Hawaii State AFL-CIO, Hawaii State Teachers Association, Hawaii Government Employees Association, International Association of Rehabilitation Professionals-Hawaii, American Physical Therapy Association-Hawaii Chapter, Hawaii Rehabilitation Counseling Association, Occupational Therapy Association of Hawaii, Sestak Rehabilitation Services, Work\*Star Occupational Health Systems, and numerous chiropractors and individuals testified in support of this measure. The Hawaii State Chiropractic Association and an individual supported the intent of this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, Department of Human Resources of the City & County of Honolulu, Department of Human Resources of the County of Hawaii, Hawaii Employers' Mutual Insurance Company, Hawaii Insurers Council, Brigham and Associates, Inc., Parthenia Medical Group, Inc., Academy of Independent Medical Examiners Hawaii and numerous individuals testified in opposition to this measure.

The workers' compensation law was established as a "no-fault" law where an injured worker received the medical treatment necessary to allow the worker to return to work. In return, the injured worker gave up the right to sue the employer. This system appeared to be a "win-win" situation for both the employer and employee--the employee got necessary treatment while the employer would, in time, be able to employ a productive worker. However, over the years, this process has become more adversarial in nature to the detriment of both employers and employees.

Your Committee finds that the workers' compensation issue is a complex one in which a balance between the needs of employers and employees must be balanced. Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language that, among other things:

- (1) Exempts individuals holding ownership of at least 50 percent in an employing unit, including corporations, partnerships, limited liability partnerships, and sole proprietorships from workers' compensation requirements if the individual chooses to be excluded, provided that the exclusion shall be irrevocable for five years;
- (2) Exempts a partner of a partnership, a partner of a limited liability partnership, and sole proprietor from workers' compensation requirements;
- (3) Prevents essential medical services from being discontinued in the event of a dispute, until the Director renders a decision on whether medical treatment should be continued;
- (4) Allows for the recovery of costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer by an employer or employer's insurer in the event unwarranted medical treatment was provided;
- (5) Allows injured workers to be referred for vocational rehabilitation where the employee has achieved maximum medical improvement and the employer has made no offer of permanent suitable work;
- (6) Establishes criteria for the use of optional evidence-based guidelines for treatment and for the denial and dispute processes;

- (7) Provides for reimbursement of medical treatment expenses which should have been denied;
- (8) Allows for requests for hearings by employees and employers;
- (9) Limits the rulemaking powers of the Director;
- (10) Establishes requirements and standards for independent medical examiners to perform independent medical exams;
- (11) Permits claims for attorney's services;
- (12) Requires the submission of annual reports by workers' compensation insurers to the Director and Insurance Commissioner of the Department of Commerce and Consumer Affairs; and
- (13) Allows for alternative dispute resolution for workers' compensation claims.

This measure was further amended by:

- (1) Inserting an effective date of July 1, 2009, 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 763, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 645 Labor & Public Employment on H.B. No. 854**

The purpose of this bill is to prevent the termination of temporary total disability benefits (benefits) in the event of a dispute, until the Director of Labor and Industrial Relations (Director) makes a decision to terminate the benefits.

The Hawaii Chapter, American Physical Therapy Association, Hawaii Government Employees Association, Hawaii State AFL-CIO, Hawaii State Chiropractic Association, Hawaii State Teachers Association, ILWU Local 142, and numerous individuals testified in support of this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, The Chamber of Commerce of Hawaii, Hawaii Employers' Mutual Insurance Company, Hawaii Independent Insurance Agents Association, Hawaii Insurers Council, National Federation of Independent Businesses, Property Casualty Insurers Association of America, and the Society for Human Resource Management testified in opposition to this measure. The Department of the Attorney General offered comments.

Your Committee has amended this measure by:

- (1) Clarifying that benefits shall be terminated only upon order of the Director, or if the employee's treating physician determines that the employee is able to resume work and a bona fide offer of work within the employee's medical restriction has been made by the employer;
- (2) Deleting the provision specifying that, if the injured employee has not actually resumed work, the benefits shall continue to be paid until a decision by the Director to terminate the benefits;
- (3) Removing the condition that the injured employee is able to resume work in cases where the employer believes that benefits should be terminated and notifies the employee and the Director of the intent to terminate benefits;
- (4) Allowing employers to request credits for the amount of benefits paid by the employer after the date which the Director had determined should have been the last date of payment; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee finds that this measure is necessary because premature termination of benefits is detrimental to injured workers and their ability to return to work.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 854, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Har.

**SCRep. 646 Labor & Public Employment on H.B. No. 1750**

The purpose of this bill is to increase the number of individuals eligible for state and county employment by:

- (1) Removing the requirement that applicants for state and county positions reside in the state at the time of their application for the position; and
- (2) Authorizing all personnel department heads to waive the residency requirement for essential positions.

The Department of Education, Department of Human Resources of the City and County of Honolulu, and the American Civil Liberties Union testified in support of this bill. The Department of the Attorney General offered comments, opposing the measure in part.

Your Committee finds that the current law, which requires applicants to reside in the state at the time they apply for government positions, limits the number of potentially qualified applicants, especially as many baby-boomer employees anticipate retiring within the next five years. To offset the potential loss of qualified employees, legislation that expands the pool of future government employees is critical.

However, your Committee understands the concerns raised by the Attorney General that the appointing authority rather than a respective jurisdiction's head of personnel should determine when the residency requirement should be waived. Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision that allows the director of personnel of a jurisdiction to waive the "residency during employment" requirements for positions within that jurisdiction; and

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

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1750, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Har.

**SCRep. 647 Labor & Public Employment on H.B. No. 937**

The purpose of this bill is to ensure that electricians have a thorough and adequate knowledge of electricity by specifying increased educational requirements for electricians.

The American Society of Safety Engineers Hawaii Chapter, Hawaii Electricians Training Fund, International Brotherhood of Electrical Workers, and an individual testified in support of this bill. Plumbers and Fitters Union Local 675, International Union of Elevator Constructors Local 1126, Plumbing & Mechanical Contractors Association of Hawaii, and an individual testified in opposition to this bill. The Board of Electricians and Plumbers, and MGM Electrical Services, Inc. submitted comments.

Your Committee finds that electrical work is a complex trade requiring many years of education and training. A well educated and trained electrician not only protects the electrician from injury, but also the general public from hazards associated with improper installation of electrical wiring.

While, your Committee does understand concerns raised by plumbers that this measure may have the unintended consequence of affecting their trade, the safety issues this measure addresses deserve further consideration. Your Committee respectfully requests that the Committee on Consumer Protection and Commerce examine the issues affecting the plumbing trades further as this bill makes its way through the legislative process.

Accordingly, your Committee has amended this bill by:

- (1) Deleting provisions affecting the requirements pertaining to Journey Worker Plumber and Master Plumber; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by all members of the Committee except Representative Har. (Representatives Evans, McKelvey and Meyer voted no.)

**SCRep. 648 Legislative Management on H.B. No. 314**

The purpose of this bill is to support small businesses by re-establishing and appropriating funding for the Small Business Defender (SBD).

The Small Business Regulatory Review Board and Hawaii Business League testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of the Attorney General opposed this bill, and the Office of the Ombudsman offered comments.

Your Committee has amended this bill by:

- (1) Deleting the requirement that businesses must waive and release claims and requests for relief against the SBD or staff arising from legal representation;
- (2) Declaring that the activities of the SBD constitute a public purpose; and
- (3) Specifying that neither the SBD nor the attorneys shall represent the State in the performance of their duties.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, 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. 314, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 649 Health on H.B. No. 1260**

The purpose of this measure is to restore the court's authority to order a mental or medical examination of a defendant pending sentencing.

Your Committee received testimony in support of this measure from the Attorney General and the Prosecuting Attorney for the City and County of Honolulu.

Your Committee notes that the authority for presentence mental or medical examinations, originally established in 1972, was inadvertently repealed when section 706-603, Hawaii Revised Statutes, was amended in 2005 as part of legislation that enacted a comprehensive forensic DNA identification statute.

By restoring the authority for presentence mental or medical examinations, this measure allows the court to better evaluate certain defendants to determine the most appropriate sentence.

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. 1260 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

**SCRep. 650 Health on H.B. No. 1240**

The purpose of this bill to permit law enforcement officers to obtain vital statistics records from the Department of Health if the records are necessary for an official criminal investigation and if the request is signed under penalty of criminal prosecution for false swearing in official matters.

The Department of the Attorney General, the Honolulu Police Department, and the County of Hawaii Police Department submitted testimony in support of this measure.

Under current law, law enforcement officers cannot obtain vital statistics records from the Department of Health.



Your Committee finds that in certain limited circumstances it is important to provide law enforcement officers with vital statistics records to facilitate a timely investigation of a crime. For example, during a homicide investigation, obtaining the death certificate of the victim can be important to decide which statutes are applicable to a possible charge; and, the same is true when the age of the victim or the perpetrator in sexual assault cases has to be determined.

Your Committee supports providing vital statistics records to law enforcement personnel because of the limitations to certain, restricted circumstances in which the records are available and the inclusion of the requirement of a signed request for the records, attaching criminal penalties for their misuse. This statutory amendment will facilitate the goal of investigating crimes in a timely manner.

Your Committee has amended this measure by changing the effective date to January 1, 2050 in order to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1240, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 651 Health on H.B. No. 211**

The purpose of this bill is to enable the construction and equipping of healthcare facilities by extending from 2008 to 2012 the Director of Finance's authority to issue Special Purpose Revenue bonds to assist The Queen's Health Systems.

The Queen's Medical Center and the Healthcare Association of Hawaii submitted testimony in support of this bill.

Your Committee finds that currently, the Director of Finance's authority to issue Special Purpose Revenue bonds to assist The Queen's Health Systems will lapse on June 30, 2008. The funds provided through the bonds enable The Queen's Health Systems to make necessary equipment upgrades, to build new facilities, and to purchase new medical technology, which, in turn, benefits the community at large. The Queen's Medical Center has been providing quality health care to the people of Hawaii since 1859.

Your Committee finds that extending the authorization for the issuance of the bonds for four additional years will enable The Queen's Health Systems to further invest in its infrastructure and equipment to meet the health needs of all Hawaii residents.

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

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 652 Health on H.B. No. 705**

The purpose of this bill is to appropriate funds for Hana Health, a health care facility in Hana, Maui in a medically underserved area, to maintain its operations and to increase its capacity for increasing needs of medical services in that area.

Hana Health and seven individuals submitted testimony in support of the bill. The Department of the Attorney General offered comments.

Your Committee finds that Hana Health is the only health care facility in Hana, located in a remote, medically underserved area. Hana Health provides health care to many local residents and to hundreds of visitors who require urgent and emergency care annually. Despite its substandard kitchen, Hana Health provides thousands of snacks and meals each year to students, seniors, and others in need.

Your Committee believes that an appropriation of funds will enable Hana Health's substandard kitchen to be replaced and will allow the health center to provide continued and expanded medical care and outreach services, including meals and snacks to local residents of Hana and visitors alike.

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

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 653 Health on H.B. No. 717**

The purpose of this bill is to provide financial support to Molokai General Hospital for its operating costs.

A member of the Maui County Council, Molokai General Hospital, and the Healthcare Association of Hawaii testified in support of this bill. The Attorney 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 H.B. No. 717 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 654 Health on H.B. No. 877**

The purpose of this bill is to require the Insurance Commissioner to hire a certified public accountant or accounting firm to conduct an audit of each mutual benefit society to determine the impact of the mutual benefit society's tax-exempt status in comparison to the benefit the mutual benefit society provides the community.

The Department of Commerce and Consumer Affairs opposed this bill. Hawaii Medical Service Association submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 877, H.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 Cabanilla.

**SCRep. 655 Health on H.B. No. 1373**

The purpose of this bill is to ensure the State's compliance with the federal Individuals with Disabilities Education Improvement Act of 2004 (IDEA) by providing additional early intervention services to infants and children with developmental delay or at biological or environmental risk for developmental delay. This bill appropriates \$5,299,809 in fiscal year 2006-2007 for additional expenses required by the Department of Health (DOH).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message Number 237 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding emergency.

DOH, State Council on Developmental Disabilities, Center on Disability Studies, Hawaii Chapter-American Physical Therapy Association, Hawaii Early Intervention Coordinating Council, Hawaii Centers for Independent Living, Easter Seals Hawaii, Imua Family Services, Waianae Coast Early Childhood Services, Inc., and several concerned individuals testified in support of this bill.

Your Committee encourages DOH to develop more accurate estimates on its funding needs so that adequate resources can be incorporated into its base budget, thereby avoiding the need for similar emergency funding requests in the future.

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. 1373 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 and Shimabukuro.

**SCRep. 656 Health on H.B. No. 1890**

The purpose of this bill is to assist individuals living with the human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS) by appropriating an unspecified sum for health care and other services.

Life Foundation, The Center, and several concerned individuals testified in support of this bill. The Department of Health opposed this measure.

This appropriation is intended to supplement reduced federal HIV/AIDS health care service funds received through the Ryan White Care Act.

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. 1890 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 Takai.

**SCRep. 657 Health on H.B. No. 232**

The purpose of this bill is to encourage the use of medical information technology by physicians to increase the efficiency of the delivery services and lower administrative costs by providing, in the form of an income tax credit, a limited rebate of the general excise tax on physician services to those physicians who invest in this technology.

The Department of Taxation opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that this is a nonrefundable tax credit;
- (2) Allowing the credit to be carried forward against future tax liability until exhausted;
- (3) Clarifying that the credit is allowed for the general excise tax imposed on expenditures up to \$20,000; and
- (4) Applying the credit to qualifying costs incurred on or after January 1, 2008.

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. 232, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 232, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 658 Health on H.B. No. 455**

The purpose of this bill is to provide an integrated and comprehensive approach to family planning and contraceptive services for Hawaii's women, teens, and men by appropriating:

- (1) \$2,443,750 for family planning and contraception services; and
- (2) \$1,540,000 to:
  - (A) Increase the family planning health educator contracts to full-time;
  - (B) Double the number of health educators statewide;
  - (C) Provide for educational materials, multi-media equipment, and training; and
  - (D) Add new and innovative outreach services for hard-to-reach populations.

Planned Parenthood of Hawaii, Hawaii State Commission on the Status of Women, Planned Parenthood of Hawaii's Action Network, Hawaii State Democratic Women's Caucus, March of Dimes Hawaii Chapter, Hawaii Primary Care Association, Hawaii Youth Services Network, Healthy Mothers, Healthy Babies Coalition of Hawaii, Kalihi Palama Health Center, Waianae Coast Comprehensive Health Center, Hawaii Women Work!, League of Women Voters of Hawaii, Japanese American Citizens League – Honolulu Chapter, and several concerned individuals supported this bill. Pro-family Hawaii, Hawaii Right to Life, and several concerned individuals opposed this measure.

Your Committee finds that according to a report released in 2006 by the Guttmacher Institute, a leading national policy and research agency, Hawaii is ranked 50<sup>th</sup> in the nation in public funding for women accessing contraceptive services and supplies. The report shows that there is a need for significant support and improvement in the area of family planning. Your Committee believes that funding provided by the State for family planning services should be used for educational programs and providing access to contraceptive services and not used to provide abortions.

In an attempt to gain more insight into family planning services, your Committee has requested that Planned Parenthood of Hawaii provide your Committee with data regarding the number of abortions performed in Hawaii within the last few years and the number of people using family planning services to ensure healthy pregnancies.

Your Committee has amended this bill by:

- (1) Removing the appropriation amounts to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 455, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 659 Higher Education on H.B. No. 670**

The purpose of this measure is to provide an exemption to the University of Hawaii and the University of Hawaii Foundation from disclosure of donor information.

Specifically, this measure would provide that certain donor records and information would not be subject to disclosure under the Uniform Information Practices Act. It would protect the identity and personal information of donors that request anonymity. This protection, however, would not apply to donors who directly or indirectly transact business with the University of Hawaii or the University of Hawaii Foundation.

The University of Hawaii Foundation submitted testimony in support of this measure.

The Society of Professional Journalists Hawaii Chapter and two concerned individuals submitted testimony in opposition to this measure.

The Office of the Auditor and the Office of Information Practices submitted comments on this measure.

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

- (1) Adding a new section in chapter 304A, Hawaii Revised Statutes, that protects the University of Hawaii and the University of Hawaii Foundation donor records from disclosure;
- (2) Amending other sections of the Hawaii Revised Statutes, as necessary to cross-reference the new section added to chapter 304A, Hawaii Revised Statutes; and
- (3) Deleting section 3 and renumbering the remaining sections appropriately.

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. 670, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 670, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Nishimoto, Shimabukuro, Takamine and Wakai.

**SCRep. 660 Human Services & Housing on H.B. No. 1076**

The purpose of this bill is to gather information on the supply of and demand for affordable housing in Hawaii to better understand the affordable housing crisis by establishing the Affordable Housing Inventory Protection Board.

The Ad Hoc Committee on Affordable Housing testified in support of this bill. The Hawaii Housing Finance and Development Corporation and Department of Community Services of the City and County of Honolulu testified in opposition to this measure.

Maintaining current information on housing supply and demand in Hawaii is important, especially since the State is in the midst of an affordable housing crisis. Preserving the existing supply of affordable housing while determining other potential sources of such housing, is an important first step in dealing with this crisis.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1076 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 661 Human Services & Housing/Public Safety & Military Affairs on H.B. No. 1457**

The purpose of this measure is to establish a conservation corps program within the Department of Land and Natural Resources to help at-risk persons on the island of Hawaii develop life skills and job skills and to gain work experience.

Specifically, this program will be designed to serve at-risk youth and adults by providing guidance, life skills, counseling, vocational training, educational activities, and case management. The bill provides for an executive director to oversee the program, and the program will be permitted to seek and accept grants from outside sources. Additionally, the Department of Land and Natural Resources will be required to submit annual reports to the Legislature on the progress and results of the program.

Kealakehe Ahupua'a 2020 and The Corps Network submitted testimony in support of this measure. The Department of Land and Natural Resources submitted testimony in opposition to this measure, and the Department of Public Safety submitted comments.

Your Committees find that an outreach and assistance program is an effective tool for serving at-risk members of the community. However your Committees believe such a tool is best used to serve at-risk youth in Hawaii and that an appropriate method of doing so would be to expand the existing youth conservation corps program to a year-round program for at-risk youth. This would provide ongoing outreach, assistance, counseling, and vocational skills to youth at risk of substance abuse, juvenile delinquency, and other threats.

Accordingly, your Committees have amended this bill by:

- (1) Amending section 193-32, Hawaii Revised Statutes, to expand the youth conservation corps to a year-round program for at-risk youth and defining "at-risk youth;"
- (2) Amending section 195-4(a), Hawaii Revised Statutes, to empower the Department of Land and Natural Resources to administer the youth conservation corps;

- (3) Adding a new section to chapter 193 that allows the Department of Land and Natural Resources to seek grants and additional funding for the youth conservation corps from private and public sources; and
- (4) Requiring the Department of Land and Natural Resources to establish a five-year pilot program of the youth conservation corps on the island of Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1457, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1457, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Souki, Takai, Takamine and Finnegan.

**SCRep. 662 Human Services & Housing/Public Safety & Military Affairs on H.B. No. 1695**

The purpose of this bill is to appropriate \$400,000 as a grant to the Hawaii Habitat for Humanity and Kumulipo for a site study and plans for an integrated approach to affordable housing, a private corrections facility focusing on rehabilitation, innovative agricultural systems, and waste management solutions in a planned community in Central Oahu.

The Department of Public Safety (DPS) provided comments.

Your Committees have amended this bill by:

- (1) Removing the appropriation to the Hawaii Habitat for Humanity and Kumulipo;
- (2) Adding provisions requiring DPS to conduct a feasibility study on an integrated approach to affordable housing, a private corrections facility focusing on rehabilitation, innovative agricultural systems, and waste management solutions in planned communities statewide; 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 & Housing and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1695, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1695, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Souki, Takamine and Finnegan. (Representative Green voted no.)

**SCRep. 663 Health on H.B. No. 214**

The purpose of this bill is to clarify the requirements for mental health counselor licensure by establishing that those persons who applied to the department after July 1, 2005, and graduated from an accredited program before July 1, 2007, may be eligible for licensure.

Hawaii Rehabilitation Counseling Association, Alliance for Professional Counselor Licensure, Sestak Rehabilitation Services, several faculty members of Chaminade University of Honolulu, and several concerned individuals supported this bill. The Department of Commerce and Consumer Affairs opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 214 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 Cabanilla.

**SCRep. 664 Health on H.B. No. 527**

The purpose of this bill is to protect public health especially the health of our children by prohibiting the distribution and sale of flavored tobacco products.

The American Cancer Society, Coalition for a Tobacco Free Hawaii, American Heart Association, and several concerned individuals supported this bill. R.J. Reynolds Tobacco Company opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring the Department of the Attorney General to provide annual reports until 2010 on the sale of flavored tobacco products;
- (2) Adding provisions that ban cigarette sales from self-service displays;
- (3) Banning smoking on public beaches and in public parks;
- (4) Changing the effective date to January 1, 2010; 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 H.B. No. 527, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 527, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 665 Health on H.B. No. 1825**

The purpose of this bill is to protect the public health and safety by prohibiting smoking on public beaches and in public parks. This bill also provides for a fine of up to \$250 for anyone who disposes their cigarette, cigar, or tobacco product in a nonsmoking area anywhere other than a designated waste disposal container.

The Department of Parks and Recreation of the City and County of Honolulu, American Cancer Society, Coalition for a Tobacco Free Hawaii, Hawaii Audubon Society, and several concerned individuals supported this bill. Americans for Freedom of Choice and several concerned individuals opposed this measure.

Your Committee finds that countless studies have shown the negative health effects that inhalation of second-hand smoke causes. Unfortunately, there are some who still cling to unsubstantiated reports that no harm comes from the use of tobacco products. The use of such misinformation to sway the decisions of the Legislature should not be tolerated. It only encourages more misrepresentation of the harm smoking causes and misguides those who are uninformed or impressionable such as our young people.

Your Committee has amended this bill by:

- (1) Removing provisions that prohibited smoking in public parks;
- (2) Increasing the fine to not more than \$300 for disposing tobacco product waste in anything other than a designated waste disposal container;
- (3) Changing the effective date to January 1, 2050, to facilitate further discussion; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1825, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1825, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Shimabukuro and Takai.  
(Representatives Cabanilla and Ward voted no.)

**SCRep. 666 Health on H.B. No. 410**

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

American Medical Response and a concerned individual supported this bill. The Department of Health submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 410 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 667 Health on H.B. No. 679**

The purpose of this bill is to continue the invaluable work of the Hawaii AIDS Clinical Trials Unit at the University of Hawaii's (UH) John A. Burns School of Medicine by appropriating funds for clinical trials units for HIV and AIDS patients in Hawaii.

The Hawaii Centers for Independent Living, The Center-Hawaii, Hawaii AIDS Clinical Research Program, and several concerned individuals supported this bill. UH John A. Burns School of Medicine supported the intent of this bill.

Your Committee finds that support of HIV/AIDS research and treatment is a top priority for health care in Hawaii. This worthy program deserves the full support of the Legislature.

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

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 668 Health on H.B. No. 1371**

The purpose of this bill is to appropriate emergency funding necessary to cover increasing expenses relating to the ongoing operation, services and activities of the Developmental Disabilities Division of the Department of Health (DOH).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 235 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$4,980,523 for fiscal year 2006-2007 out of general revenues to be used to:

- (1) Sustain the ongoing operation and services;
- (2) Provide individuals with developmental disabilities or mental retardation, home and community-based services; and
- (3) Increase admission into Medicaid State Plan Intermediate Care Facilities for the Mentally Retarded in the Community Program.

The appropriated amounts are to be expended by the Department of Health.

The Department of Health, State Council on Developmental Disabilities, and Family Voices of Hawaii supported this bill.

Your Committee has amended this bill by:

- (1) Adding a new section which provides the reasons why and the amount and rate by which the appropriations contained in this bill exceed the state spending limit to comply with statutory and constitutional requirements;
- (2) Authorizing an additional appropriation of \$4,111,237 from the Developmental Disabilities Interdepartmental Transfer Fund; 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. 1371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1371, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 669 Health on H.B. No. 1495**

The purpose of this bill is to improve palliative care services by appropriating funds to the Executive Office on Aging to:

- (1) Integrate palliative care into long-term care settings;

- (2) Implement statewide physician orders for life-sustaining treatment;
- (3) Implement a hospice and palliative care resource center demonstration project; and
- (4) Implement statewide assessment of benchmark indicators.

Kokua Mau, Hawaii Medical Service Association, Hawaii Long Term Care Association, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Policy Advisory Board for Elder Affairs, Hospice of Hilo, Hawaiian Islands Hospice Organization, Hospice Hawaii, Inc., Eldercare Hawaii, and several concerned individuals supported this bill. The Healthcare Association of Hawaii supported this measure with amendments. The Department of Health supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Appropriating the funds to Kokua Mau as a grant pursuant to Chapter 42F, Hawaii Revised Statutes;
- (2) Increasing the funding by 20 percent; 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. 1495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1495, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 670 Health/Human Services & Housing on H.B. No. 1599**

The purpose of this bill is to require the Department of Health (DOH) and Department of Human Services (DHS) to maintain an inventory of various community-based facilities.

The Disability and Community Access Board, State Council on Developmental Disabilities (DD Council), and Hawaii Disability Rights Center testified in support of this bill. DHS and the Arc in Hawaii supported this measure with amendments. DOH provided comments.

Unfortunately, due to the tight time constraints of the legislative calendar, your Committees did not have an opportunity to address the concerns raised by the DD Council. Therefore, your Committees respectfully request the Committee on Finance to consider amendments suggested by the DD Council to include adult foster homes. Additionally, your Committees have concerns about the use of the term "regular basis" with regard to the reporting requirements by the departments, and believe it should be specifically defined. Your Committees respectfully request DOH and DHS to collaborate to develop and maintain one shared database and to confirm the cost of maintaining it.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1599 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 671 Health/Human Services & Housing on H.B. No. 206**

The purpose of this bill is to promote self-determination and self-directed services and supports for individuals with developmental disabilities by appropriating funds for a coordinator and operating expenses to support a statewide self-advocacy network for individuals with development disabilities.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Hawaii Centers for Independent Living, and several concerned individuals supported this bill. The Department of Health supported the intent of this measure.

Your Committees have amended this bill by making the State Council on Developmental Disabilities the expending agency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 206, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 206, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 672 Health/Human Services & Housing on H.B. No. 818**

The purpose of this bill is to improve the safety and long-term care provided to the state's frail and elderly by:

- (1) Formally establishing an Office of the Long-Term Care Ombudsman within the Executive Office on Aging; and
- (2) Appropriating funds to establish an additional three ombudsman program specialist IV positions and a clerk typist II position;

to support a Regional long-term care ombudsman program on the Neighbor Islands.

The Long-Term Care Ombudsman, Hawaii Alliance for Retired Americans, Kokua Council, National Association of Social Workers, Hawaii Aging Advocates Coalition, Gay and Lesbian Education and Advocacy Foundation, and a concerned individual supported this bill. The Department of Health and the Executive Office on Aging supported the intent of this measure.

Your Committees have amended this bill by adding a new part the purpose of which is to support the Aging and Disability Resource Center Program by appropriating \$370,000 for fiscal year 2007-2008 and \$230,000 for fiscal year 2008-2009 to supplement its development.

The funds shall be used to:

- (1) Contract with a state management information consultant;
- (2) Purchase additional management information system products, including software licensing, server clusters, installation, staff training, computer hardware, and technical support;

- (3) Install a statewide toll-free telephone system for the public to contact aging and disability resource center sites;
- (4) Coordinate and implement consumer education and outreach campaigns;
- (5) Continue the coordination and implementation of the Hawaii County site;
- (6) Continue the coordination and implementation of the Honolulu County site; and
- (7) Continue the state-level coordination and evaluation activities of the project.

Your Committees have also made 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 & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 818, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 818, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 673 Public Safety & Military Affairs on H.B. No. 624**

The purpose of this bill is to enable the Hawaii Paroling Authority (Authority) to achieve its mission of providing meaningful opportunities for offenders to reintegrate into society and demonstrate that they have the potential to function as law-abiding citizens by granting the Authority the ability to parole committed persons to a county in the state where the committed person has the greatest family or community support, opportunities for employment, and access to job training, education, treatment, and other social services.

The Office of Hawaiian Affairs, Community Alliance on Prisons, and a concerned individual supported this bill. The Authority supported the intent of this measure. Maui Economic Opportunity, Inc., submitted comments.

Your Committee has amended this bill by:

- (1) Requiring a committed person to provide a written request to the Department of Public Safety (DPS) asking to be transferred to a county other than a county that has a population that exceeds 800,000;
- (2) Providing that the Authority will determine if the county requested by the committed person does offer the greatest overall level of community and family support, as well as opportunity for and access to employment, job training, education, and other services;
- (3) Clarifying that DPS has the discretion to relocate a committed person to ensure the sequential phasing process of programs for the person is not interrupted;
- (4) Requiring that the committed person bear all expenses incurred from the transfer to a different county, including travel, lodging, and meals; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 624, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 674 Public Safety & Military Affairs on H.B. No. 625**

The purpose of this bill is to ensure that fire fighters and other emergency first responders are fully prepared to respond to natural and manmade disasters, including acts of terrorism, by appropriating funds to plan a Hawaii state fire and emergency training facility (Facility).

The Kauai County Fire Department and State Fire Council supported this bill. The Department of Defense supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Expanding the scope of the Facility by including its use for law enforcement officers, including county police, corrections officers, and Department of Land and Natural Resources' Division of Conservation and Resources Enforcement officers;
- (2) Including in the feasibility study such factors as site location and public safety;
- (3) Appropriating \$1 to facilitate further discussion;
- (4) Changing the effective date to July 1, 2015; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 625, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Finnegan.

**SCRep. 675 Public Safety & Military Affairs on H.B. No. 831**

The purpose of this bill is to honor our veterans by authorizing payment through the veterans' burial grant program to pay directly to a mortuary or crematory an amount not exceeding \$2,500 for the cost of:

- (1) Providing funeral and burial services at the request of a qualifying deceased Filipino veteran's survivor or an interested party; and
- (2) Transporting the veteran's remains to the Philippines.

The Office of Veterans Services and Advisory Board on Veterans Services supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Deleting the \$2,500 limit for funeral and burial services and transportation costs to facilitate 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 831, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 676 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1389**

The purpose of this bill is to streamline the registration process and remove the administrative burden of issuing certificate of titles for each time-share interest registered in the land court system. This bill provides for the deregistration of time-share interests in fee simple from the land court system.

The Department of Land and Natural Resources, ARDA-Hawaii, Hawaii Land Title Association, Wyndham Worldwide, Old Republic Title & Escrow of Hawaii, Ltd., and Title Guaranty of Hawaii, Inc. testified in support of this bill. Many concerned individuals opposed this measure. The Judiciary provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1389 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

**SCRep. 677 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1499**

The purpose of this bill is to strengthen the Department of Land and Natural Resources' and specifically the Division of Conservation and Resources Enforcement's (DOCARE's) ability to enforce the State's aquatic resources laws by authorizing any DOCARE officer or other enforcement officer of the State to conduct administrative inspections of bags, containers, vehicles, or conveyances used to transport aquatic life without probable cause, under written consent obtained when issuing licenses or permits under Subtitle 5 of Title 12, Hawaii Revised Statutes.

This bill also provides that refusal to comply with the administrative search results in immediate revocation of the permit or license.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, Ocean Law & Policy Institute of the Pacific Forum CSIS, Sierra Club-Hawaii Chapter, The Nature Conservancy of Hawaii, and a concerned individual testified in support of this bill.

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 style, clarity, and consistency.

Your Committee notes that the issue of constitutionality has not been resolved, and requests that the Committee on Judiciary further review the constitutional implications, as constitutional issues are within the realm of its expertise.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1499, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1499, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 678 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1667**

The purpose of this bill is to take the next step in realizing the Barbers Point Naval Air Station community reuse plan in the Kalaeloa Community Development District by authorizing the Hawaii Community Development Authority to issue an unspecified sum of revenue bonds for the purchase of the former Barbers Point Naval Air Station.

The Hawaii Community Development Authority, Hawaii Association of REALTORS, Hoakalei Cultural Foundation, Hawaii Museum of Flying dba Naval Air Museum Barbers Point, Kalaeloa Community Network and Supporters, Haseko (Ewa), Inc., Mikiko Corporation, and a concerned individual testified in support of this bill. The Chamber of Commerce of Hawaii supported the intent of this measure. The Department of Budget and Finance, the Department of the Attorney General, and D.R. Horton-Schuler Division provided 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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1667, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 679 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1899**

The purpose of this bill is to ensure the conservation of Kawai Nui Marsh, one of our state's largest remaining wetlands, which has been designated by the Ramsar Convention on Wetlands as a wetland of international significance, by transferring of ownership of lot 3 of Kawai Nui Marsh from the City and County of Honolulu to the State to take advantage of federal funds, as directed in Act 314, Session Laws of Hawaii 1990 (Act 314).



Hawaii's Thousand Friends and Ahahui Malama I Ka Lokahi testified in support of this bill. The Department of Facility Maintenance of the City and County of Honolulu supported the intent of this measure. The Department of Land and Natural Resources (DLNR) supported this bill with amendments. Windward Ahupuaa Alliance opposed this measure.

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

- (1) Reinserting the provisions of Act 314 that require that:
  - (a) The City and County of Honolulu and the United States Army Corps of Engineers must first complete all pending flood control projects for Kawai Nui Marsh to the satisfaction of DLNR; and
  - (b) The State enter into any required operation or maintenance agreements with the United States Army Corps of Engineers at the time of the transfer;
- (2) Deleting the appropriation; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee requests the Committee on Finance to further review the bill to ensure that it is clear that maintenance responsibility of the flood control project is to remain with the City and County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs 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 Second Reading in the form attached hereto as H.B. No. 1899, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 680 Higher Education on H.B. No. 1003**

The purpose of this bill is to provide financial and other resources to encourage and facilitate renewable energy development by:

- (1) Statutorily establishing the Hawaii Natural Energy Institute (HNEI) of the University of Hawaii (UH) and creating the Energy Systems Development Special Fund for the development of renewable energy and energy efficient technologies; and
- (2) Establishing the Hawaii Biofuels Program within the Department of Business, Economic Development, and Tourism (DBEDT), to manage the State's transition to energy self-sufficiency based in part on biofuels for power generation and transportation fuels, and creating the Biofuels Development Revolving Loan Fund, to be administered by the Hawaii Strategic Development Corporation.

The Hawaiian Electric Company, Inc., and Hawaii Energy Policy Forum testified in support of this bill. HNEI supported the intent of this measure. The Department of Budget and Finance opposed this bill. DBEDT, the Public Utilities Commission, and UH Environmental Center offered comments.

Your Committee has amended this bill by:

- (1) Adding provisions to require DBEDT to develop and prepare a bioenergy master plan that will set the course for the coordination and implementation of policies and procedures to develop a bioenergy industry in Hawaii;
- (2) Inserting an appropriation for the development and preparation of the bioenergy master plan;
- (3) Changing all the appropriation amounts to \$1 to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the purpose language to reflect the amendments made to the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1003, 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. 1003, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Nishimoto, Shimabukuro, Takamine and Wakai.

**SCRep. 681 Consumer Protection & Commerce on H.B. No. 228**

The purpose of this bill is to promote fair and equitable health insurance rates by:

- (1) Prohibiting health insurance rates that are excessive, inadequate, or unfairly discriminatory; and
- (2) Requiring health care insurers to submit rate filings for approval by the Insurance Commissioner (Commissioner).

The Kookaa Council, Hawaii Association of REALTORS, Hawaii Government Employees Association, and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. Kaiser Permanente and the Hawaii Medical Service Association opposed this bill.

Your Committee finds that the health insurance market in Hawaii is dominated by a handful of insurance providers. This situation may lead to unfair pricing that harms our residents and hurts our small businesses. This measure will help to ensure appropriate oversight of health insurance rates.

Your Committee has amended this measure by:

- (1) Deleting the provision specifying that if a managed plan's net worth exceeds 30 percent of its annual health care expenditures and operating expenses, the managed care plan's reserve in excess of 30 percent of its expenditures and expenses shall be reimbursed to hospitals and participating health care providers in proportion to services rendered;
- (2) Establishing that if a managed care plan's current net worth exceeds 30 percent of its annual total expenses, the excess moneys shall be reimbursed to certain subscribers, enrollees, or other customers in accordance with a plan submitted by the managed care plan and approved by the Commissioner; provided that this provision shall not apply to disability insurance;

- (3) Requiring the Commissioner to hold a hearing within 30 working days after receipt of a written request from an aggrieved managed care plan, and requiring the Commissioner to give not less than seven working days written notice of the time and place of the hearing; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 228, 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. 228, H.D. 2.

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

**SCRep. 682 Consumer Protection & Commerce on H.B. No. 639**

The purpose of this bill is to encourage recycling by improving the deposit beverage container law. Specifically, this bill:

- (1) Allows the Director of Health (Director) to temporarily suspend the deposit beverage container fee after consulting with the Auditor and determining that the funds in the Deposit Beverage Container Deposit Special Fund (Fund) meet statutory requirements;
- (2) Requires deposit beverage distributors to report the number of containers sold and pay fees thereon;
- (3) Requires dealers with more than 75,000 square feet of interior space to operate a redemption center;
- (4) Allows consumers to request that the refund value be calculated by container count only when redeeming up to 50 containers of each material type per visit to a redemption center;
- (5) Requires redemption centers to refuse to pay the refund value on containers that appear to have been previously processed and baled; and
- (6) Requires the Department of Health (DOH) to pay the handling fee only on containers physically received by the redemption center.

The Sierra Club, Hawaii Chapter, testified in support of this bill. DOH and Reynolds Recycling opposed this measure. The Retail Merchants of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the Director may temporarily suspend an automatic increase of the deposit beverage container fee, rather than the fee itself, after consulting with the Auditor and determining that the amounts in the Fund meet statutory requirements; and
- (2) Deleting the provision requiring dealers with more than 75,000 square feet of interior space to operate a redemption 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 H.B. No. 639, 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. 639, H.D. 2.

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

**SCRep. 683 Consumer Protection & Commerce on H.B. No. 1866**

The purpose of this bill is to protect the participants of mixed martial arts contests by:

- (1) Establishing a commission to regulate mixed martial arts contests; and
- (2) Prohibiting no rules combat, extreme or ultimate fighting, and similar contests.

The Department of Commerce and Consumer Affairs testified in opposition to this bill. A concerned individual submitted comments.

Your Committee has amended this measure by, among other things:

- (1) In lieu of a commission, giving the Director of Commerce and Consumer Affairs (Director) authority to regulate mixed martial arts contests;
- (2) Requiring contestants, as a condition of licensing, to authorize the Hawaii Criminal Data Justice Center to release a criminal history record check on the contestant to the Director;
- (3) Prohibiting mixed martial arts contests unless a permit is issued by the Director;
- (4) Requiring promoters to maintain sanitary conditions at contests and comply with municipal fire codes;
- (5) Prohibiting the use of stimulants or banned substances before or during a contest;
- (6) Requiring each contestant to provide the Director with a report of a medical examination completed no more than six months prior to the contest, at the promoter's sole expense, including the results of HIV and hepatitis testing, along with fight records to demonstrate their fitness to compete; and
- (7) Defining "amateur mixed martial arts contests".

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. 1866, 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. 1866, H.D. 2.

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

**SCRep. 684 Economic Development & Business Concerns on H.B. No. 485**

The purpose of this bill is to encourage public contractors to hire persons with disabilities and individuals who are receiving public assistance by providing a procurement preference to bidders who hire these individuals.

The Department of Accounting and General Services and State Rehabilitation Council supported this bill.

Your Committee finds that while Hawaii ended 2006 with an unemployment rate of two percent, the unemployment rate for persons with disabilities in Hawaii is currently around 70 percent.

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. 485, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 685 Economic Development & Business Concerns on H.B. No. 1868**

The purpose of this bill is to help build the creative media industry in Hawaii by appropriating funds for a permanent facility to house digital equipment and media, classrooms, production laboratories, and related facilities for the Academy for Creative Media (ACM) at the University of Hawaii (UH).

Numerous concerned individuals supported the intent of this bill. The Department of Business, Economic Development, and Tourism, University of Hawaii, Department of Taxation, and numerous concerned individuals supported the intent of this measure.

ACM is UH's fastest growing program whose students have already shown their ability to excel in the production of films and video games that reflect their unique diversity and backgrounds. The new facility funded by this bill will accelerate the State's efforts toward becoming a creative media hub.

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. 1868, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 686 Economic Development & Business Concerns on H.B. No. 70**

The purpose of this bill is to reduce traffic congestion by authorizing the Department of Transportation (DOT) to negotiate public-private partnership agreements allowing the private partner to finance the development and maintenance of transportation improvements on public property, and assess tolls or other user fees and compensation.

DOT, Hawaii Automobile Dealers' Association, Hawaii Highway Users Alliance, and a concerned individual supported this bill. A concerned individual supported this bill with amendments. The State Procurement Office opposed this measure. The Office of Information Practices commented on this bill.

Your Committee finds that state and county highway revenues are insufficient to accommodate public demand for highway improvements. Public-private partnerships are a means by which the State may finance these improvements and provide the public with relief from traffic congestion.

To ensure that there continues to be fairness, open competition, and transparency in DOT's activities under this bill, your Committee has amended this measure to remove provisions exempting DOT from the procurement code. Technical, nonsubstantive amendments have also been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, 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. 70, H.D. 2.

Signed by all members of the Committee except Representative Ching.

**SCRep. 687 Economic Development & Business Concerns on H.B. No. 760**

The purpose of this bill is to ensure that workers providing services under service contracts funded by the State are paid at least a wage that provides an annual income equivalent to the current annual federal poverty guideline for Hawaii for a family of four. The bill also requires that contracts subject to the wage requirements contain certain provisions allowing the organizing of employees.

The Hawaii State AFL-CIO, Oahu County Committee, Democratic Party of Hawaii, supported this bill. The Department of Labor and Industrial Relations opposed this measure. The Arc in Hawaii commented on this bill.

Your Committee recognizes concerns that this measure might negatively affect the ability of nonprofits to provide essential services to the poorest and most vulnerable members of our community. Accordingly, your Committee has amended this bill to provide that nonprofits are subject only to the current thresholds under the service contract wage, hour, and working condition law, which applies to contracts exceeding \$25,000, and requires workers' wages to be not less than those paid to public officers and employees for similar work.

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. 760, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 760, H.D. 1.

Signed by all members of the Committee except Representative Ching.

**SCRep. 688 Economic Development & Business Concerns on H.B. No. 1745**

The purpose of this bill is to provide job security to employees in the event that their employing business is subject to a sale, merger, or other transfer, by:

- (1) Requiring the successor employer to hire all incumbent employees;
- (2) Providing a partial exception to the employee retention requirement when the successor business is substantially dissimilar to the former business;
- (3) Establishing penalties for violation of the retention requirements to be paid into a newly established Worker Retention Trust Fund (Trust Fund) and expended to compensate dislocated workers; and
- (4) Allowing employers who acquire or succeed to a business and who retain all or nearly all of the employees of the business acquired, to also acquire their predecessor employer's unemployment insurance contribution assessment rate.

The Hawaii State AFL-CIO and an individual supported this bill. ILWU Local 142, and UNITE HERE! Local 5 supported the intent of this measure. The Department of Labor and Industrial Relations, Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, National Federation of Independent Businesses in Hawaii, Hawaii Automobile Dealers' Association, and Hawaii Business League opposed this measure.

Your Committee has amended this bill by:

- (1) Restricting its divestiture requirements to businesses of 100 employees or more;
- (2) Providing that a successor employer may require incumbent employees to file employment applications to be considered for hire if existing employee files are incomplete;
- (3) Requiring penalties for violation of the divestiture law to be paid into the Employee Training Fund established under the unemployment compensation law to provide worker training and education, and removing the new Worker Retention Trust Fund;
- (4) Changing the effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1745, 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. 1745, H.D. 2.

Signed by all members of the Committee except Representative Ching. (Representative Marumoto voted no.)

**SCRep. 689 Economic Development & Business Concerns on H.B. No. 1767**

The purpose of this bill is to ensure that the selection of contractors for public construction projects over \$250,000 or planning or studies exceeding \$25,000 provides the State with the best value, by establishing a new procurement procedure for design-build contracts that is similar to the professional services procurement process and allows consideration of the contractors' history of performance, adequacy of personnel, past record, experience and other factors.

The Hawaii Building and Construction Trades Council, AFL-CIO and a concerned individual supported this bill. The State Procurement Office and Department of Accounting and General Services opposed the bill.

Your Committee received a proposed draft of this bill on the evening before the morning's decision making on the bill. Lacking sufficient time to adequately review the draft, your Committee respectfully requests the Committee on Finance to examine the proposal. Your Committee has amended this bill by changing its effective date to July 1, 2034, to allow further examination and discussion of the measure.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1767, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

**SCRep. 690 Economic Development & Business Concerns/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 147**

The purpose of this bill is to help meet the demand for additional industrial lands in Hilo, Hawaii, by appropriating funds for survey and engineering design fees for the development of an industrial park at Mana, Hilo, Hawaii.

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

Your Committees find that an industrial park in the Mana Quarry area of Hilo was authorized by the Legislature in 2002. DLNR is now undergoing the environmental impact statement (EIS) process and the draft EIS is being prepared for publication. This bill funds the survey and engineering services that will be needed to prepare construction plans and specifications for the roadways and utility infrastructure once the EIS process is complete.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 147 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Marumoto.

**SCRep. 691 Economic Development & Business Concerns/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1083**

The purpose of this bill is to support the development of Hawaii's high technology business sector by appropriating \$150,000 in fiscal year 2007-2008 to the High Technology Development Corporation to negotiate a ten-year lease guaranty, and to plan, develop, and operate the Asia Pacific International Research Center (Center) for high technology in Kakaako.

The University of Hawaii, Hawaii Community Development Authority, Hawaii Science & Technology Council, High Technology Development Corporation (HTDC), the Board of Directors of the HTDC, Kamehameha Schols, Pacific Resource Partnership, Phase 3 Properties, KUD International, Cardax Pharmaceuticals, Technical Research Associates, Inc., Pukoa Scientific, American Society of Civil Engineers, Honolulu Seawater Air Conditioning, and a concerned individual supported this bill.

The Center proposed by this bill will be the only facility with class A wet laboratory space available to the non-institutional market in Hawaii. The availability of such space will attract life science entrepreneurs and serve as a catalyst for new Pacific Rim life science endeavors and collaborations.

Your Committees have amended the bill by removing references to a guaranty.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1083, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1083, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Marumoto.

**SCRep. 692 Public Safety & Military Affairs on H.B. No. 1548**

The purpose of this measure is to authorize the placement of certain offenders in secure drug treatment programs.

More specifically, this bill will allow criminal courts the option of sentencing offenders that meet criteria to substance abuse treatment programs in a secured drug treatment facility as a term of their probation.

One concerned individual testified in support of this measure.

Your Committee finds that secured drug treatment facilities are a sentencing option that may aid in the rehabilitation of convicted drug offenders and curb the incidence of drug crime recidivism among that group.

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. 1548 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 693 Public Safety & Military Affairs on H.B. No. 1339**

The purpose of this bill is to ensure an adequate number of qualified contractors in Hawaii during a state of emergency or disaster duly declared by the Governor to assist in and expedite rebuilding efforts by authorizing the Contractors License Board to issue Emergency Contractor's Licenses to out-of-state contractors.

The Department of Defense, Contractors License Board (Board), and State Farm Insurance Companies supported this bill.

Your Committee has amended this bill by:

- (1) Calling for a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (2) Requiring that an applicant for an emergency contractor's license provide:
  - (A) Proof of workers' compensation, property damage, and liability insurance in an amount not less than \$300,000 per occurrence and \$600,000 in the aggregate;
  - (B) A credit report; and
  - (C) Proof of licensure as a contractor in another state with similar building code standards;
- (3) Clarifying that a contractor who is issued an emergency contractor's license is subject to requirements set by Hawaii's contractor laws under Chapter 444, Hawaii Revised Statutes;
- (4) Authorizing the Board to establish an emergency contractors recovery fund to assist in covering liability costs for injuries which are a result of work performed by a contractor licensed pursuant to this Act;
- (5) Authorizing the Board to collect fees from applicants for an emergency contractor's license; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1339, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 694 Public Safety & Military Affairs on H.B. No. 1400**

The purpose of this bill is to permit corrections officers to purchase uniforms directly from the Correctional Industries program at their own expense.

The Department of Public Safety submitted testimony in support of this measure.

Under current law, newly employed corrections officers receive four uniforms, which they are required to wear while on duty. The corrections officers can replace one uniform annually at the expense of the Department of Public Safety. All uniforms are available only from the Correctional Industries program and are not available elsewhere.

Your Committee finds that corrections officers should be able to purchase additional uniforms at their own expense, which is not possible at this time. Your Committee further finds that if certain circumstances, such as substantial weight gain or loss, require a corrections officer to obtain additional uniforms, this measure would permit the corrections officer to do so. In addition, this measure might prevent the usual wear and tear on Department of Public Safety issued uniforms. Furthermore, if the demand for uniforms increases, Correctional Industries, the sole-producer of the uniforms, could provide more work opportunities to inmates, who assist in the manufacturing of the uniforms.

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. 1400 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 695 Public Safety & Military Affairs on H.B. No. 424**

The purpose of this bill is to assist in the repair of damages caused by the October 15, 2006, Kiholo Bay earthquake and improve Hawaii's readiness for future disasters by:

- (1) Providing state matching funds to draw down the federal funds that are available under the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and
- (2) Appropriating additional funds for various other measures to repair state facilities and strengthen state preparedness for future incidents.

The Mayor of the County of Hawaii, Hamakua Agricultural Plan Steering Committee, Hamakua North Hilo Agricultural Cooperative, Hawaii Farm Bureau Federation, and several concerned individuals supported this bill. The Department of Agriculture supported the intent of this measure. The United States Department of Agriculture Natural Resources Conservation Service, Department of Public Safety, and Department of Defense submitted comments.

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

- (1) Specifying that funds appropriated will go to:
  - (A) Upgrade state and county warning systems by providing emergency backup power generators to selected critical facilities such as radio and television stations to ensure continuity of operations in informing the general public of potential immediate risks; and
  - (B) Hire consultants to:
    - (i) Investigate and survey alternate sources of irrigation water for the island of Hawaii;
    - (ii) Develop and coordinate plans for public and private partnerships to improve and protect sources and distribution of irrigation water on the island of Hawaii; and
    - (iii) Provide financial assistance to critical facilities such as public schools, hospitals, and nursing facilities for structural and non-structural mitigation projects;
- (2) Making the Department of Defense the expending agency for the state matching funds for the federal Public Assistance Program and Individual Assistance Program pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act;
- (3) Providing funding in accordance with section 9 of article VII, of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, whereby the Legislature has determined that the appropriations contained in this Act will cause the state general fund expenditure ceiling for fiscal year 2006-2007 to be exceeded by \$111,841,598 or 2.1 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriations made in this Act are necessary to serve the public interest and to meet the needs provided for by this Act for the repair of the Waimea Irrigation System;
- (4) Deleting provisions to fund multimedia public awareness campaigns;
- (5) Deleting provisions to fund the development of contingency plans to ensure uninterrupted communications between public safety agencies in the case of widespread power failures; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 424, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takumi.

**SCRep. 696 Public Safety & Military Affairs on H.B. No. 457**

The purpose of this bill is to support the expansion of parent-child interaction programs at state correctional facilities.

Your Committee finds that these programs strengthen families, reduce abuse and neglect of children of incarcerated parents, and decrease the rate of recidivism. More specifically, the bill appropriates funds to the Department of Public Safety to contract with community agencies to establish and implement parent-child interaction programs at correctional facilities.

The Office of Hawaiian Affairs, the Community Alliance on Prisons, Hawaii Youth Services Network, and Supporting Keiki of Incarcerated Parents (SKIP) Partnership submitted testimony in support of this measure. Several individuals from the SKIP Kauai Makua Keiki Project (a coordinator for Good Beginnings, a program manager of the Kauai District Health Office, a parent educator, and three incarcerated individuals who participate in the SKIP project) and two private citizens also provided testimony in support.

Your Committee finds that there are approximately 3,163 incarcerated parents of 6,665 children in Hawaii and that children of incarcerated parents are up to six times more likely to become involved with the criminal justice system themselves.

Your Committee also finds that studies show that strengthening family relationships has a positive effect on preventing recidivism and that involvement with families during incarceration builds better and stronger relationships between the incarcerated parent and the incarcerated parent's children once the parent is released.

Your Committee further finds that successful parent-child interaction programs such as SKIP, which began at the Waiawa correctional facility and has since expanded to the Maui, Kauai, and women's community correctional centers, and the Kauai intake service center, is an effective program that benefits parents, children, and the caregivers of children of incarcerated parents. SKIP has also been adopted by the Texas Department of Criminal Justice as a model for a program for Texas prison inmates during the process of their reentry into the community.

Your Committee has amended this bill by making technical nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 457, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 697 Public Safety & Military Affairs on H.B. No. 467**

The purpose of this measure is to appropriate funds to the Department of Public Safety and the Office of Youth Services for the expansion of gender-responsive community based programs for women and girls.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, the American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, the Drug Policy Forum of Hawaii, the Hawaii State Democratic Women's Caucus, the Hawaii Substance Abuse Coalition, Hawaii Women at Work, the Hawaii Youth Services Network, and a private citizen. The Department of Public Safety and the Office of Youth Services submitted testimony in support of the intent of the measure.

Your Committee finds that pathways to crime are different for women and girls than they are for men and boys. Incarcerating women and girls in environments that are designed primarily for men and boys, without appropriate programming to address their needs, causes recidivism in the form of parole violations and minor offenses. Women and girls need comprehensive reentry and case management services that link substance abuse, criminal justice, public health, housing, and employment services. Community based programs for women and girls throughout the State are inadequate even though they are less costly and more effective than incarceration.

Your Committee has amended this measure by changing the appropriations in sections 2 and 3 to unspecified amounts to facilitate further discussion in the Committee on Finance.

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. 467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 467, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 698 Public Safety & Military Affairs on H.B. No. 920**

The purpose of this bill is to improve inmate reentry into the community by appropriating \$33,000 to establish a cognitive restructuring and transition pilot program in the County of Hawaii to help inmates achieve a successful transition into the community.

The Mayor of the County of Hawaii, County of Hawaii Office of Housing and Community Development, Community Alliance on Prisons, and Goodwill Industries Hawaii supported this bill. The Department of Public Safety supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the amount of the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2015, to facilitate 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 920, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 699 Public Safety & Military Affairs on H.B. No. 1182**

The purpose of this bill is to provide a grant-in-aid to the County of Hawaii to ensure that police officers in the rapidly growing Puna District of the island of Hawaii have an adequate police station.

The Mayor and Police Department of the County of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1182, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Finnegan.

**SCRep. 700 Public Safety & Military Affairs on H.B. No. 1402**

The purpose of this measure is to remove the limit on the number of temporary exempt positions that the correctional industries program in the Department of Public Safety may have in any one fiscal year.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that current law limits the correctional industries program to forty-five temporary exempt positions in any fiscal year. However, your Committee finds that additional temporary exempt positions will soon be needed to adequately staff the anticipated expansion of the correctional industries program, which provides real world work opportunities for qualified, able-bodied inmates.

Your Committee has amended this measure by changing the effective date to July 1, 2015, in order to promote continued discussion of the matter.

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. 1402, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1402, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki and Takamine.

**SCRep. 701 Public Safety & Military Affairs on H.B. No. 1549**

The purpose of this bill is to alleviate the harm caused by extended road closures currently triggered by investigations of major accidents.

Specifically, this bill requires county police departments to establish multidisciplinary accident investigation teams composed of skilled, trained investigators equipped to conduct expeditious investigations of serious accidents on major roadways. The bill further requires the county police departments to adopt procedures and protocols to organize and operate the multidisciplinary teams and a mechanism to collect, measure, and report data to determine the effectiveness of the teams. The county police departments are also required to adopt rules and to report their progress to the Legislature prior to the convening of the 2008, 2009, and 2010 regular sessions. Finally, this bill appropriates \$1 as a grant-in-aid to each of the counties to establish county multidisciplinary accident investigation teams.

Your Committee received testimony in support of this bill from the Legislative Information Services of Hawaii and one individual. The Department of Transportation offered comments. The Police Department of the City and County of Honolulu submitted testimony in opposition.

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

- (1) Acceding to a suggestion from the Police Department of the City and County of Honolulu to eliminate the requirement that county police departments adopt rules; and
- (2) Changing the effective date to July 1, 2015, for the purpose of stimulating further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1549, 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. 1549, H.D. 2.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Finnegan.

**SCRep. 702 Human Services & Housing on H.B. No. 1001**

The purpose of this bill is to encourage the development of affordable housing by:

- (1) Exempting any eligible rental project that is dedicated to remaining 100 percent affordable in perpetuity from the requirements of land use and environmental impact statement laws and regulations;
- (2) Requiring the Hawaii Housing Finance and Development Corporation (HHFDC) to lease public lands for \$1 for qualifying projects; and
- (3) Requiring projects on ceded lands to dedicate 20 percent of the units to native Hawaiians.

Your Committee received testimony on the bill as it was received, as well as a proposed draft.

Several concerned individuals testified in support of the bill as received. The Hawaii Housing Finance and Development Corporation supported the intent of the original bill. A member of the Honolulu City Council, two members of the Maui County Council, the Sierra Club – Hawaii Chapter, and Windward Ahupua'a Alliance (WAA) opposed the original bill. The City and County of Honolulu Department of Planning and Permitting (DPP), Land Use Research Foundation of Hawaii (LURF), and several concerned individuals provided comments.

The Office of Hawaiian Affairs, LURF, and Springer Development, Inc., supported the intent of the proposed draft. A member of the Maui County Council and a concerned individual opposed the proposed draft. The Department of Budget and Finance, DPP, WAA, and several concerned individuals commented on the proposed draft.

Your Committee took part in lengthy discussion on this very important measure that attempts to address some of the major concerns with regard to the development of affordable housing in Hawaii. Your Committee heard testimony that expressed concerns that the bill as introduced may have been overly broad in exempting requirements and worked with stakeholders to prepare the proposed draft subsequently heard by the committee.

The bill as amended is based on the proposed draft. Your Committee recognizes that this measure is a work in progress, and it looks forward to suggested improvements from the Committee on Finance. Your Committee notes that a defective effective date was placed on the measure to encourage further discussion and input from stakeholders and the combined wisdom of both houses of the Legislature.

Your Committee is dedicated to finding solutions to Hawaii's affordable housing and homeless crisis, and knows that there is no "one-stop-shop" solution. There must be a balance between providing affordable housing and protecting Hawaii's culture and environment. While the amended bill is a work in progress, your Committee feels that it is a good start toward helping Hawaii's people toward self-sufficiency.

Accordingly, your Committee has amended this bill by, among other things:

- (1) Requiring compliance with certain environmental and regulatory laws prior to application for the pilot project under this measure;
- (2) Establishing a pilot project for the counties to implement an expedited approval process for the development of affordable and workforce housing;
- (3) Requiring that counties with populations over 500,000 adopt an expedited process, and offering the option to adopt such a process to counties with populations less than 500,000;
- (4) Providing a mechanism for projects to be transferred from the counties to HHFDC if the project is not approved within certain time limitations;
- (5) Establishing provisions for the development of projects on public non-ceded lands;
- (6) Establishing requirements and incentives for the development of rental housing projects;
- (7) Establishing a County Infrastructure Capacity Construction Loan Revolving Fund (Revolving Fund) to fund county infrastructure for participating counties, upon a county's acceptance of dedication and allowance of a project to be developed under this measure;
- (8) Establishing a New Markets Tax Credit;
- (9) Appropriating funds for various purposes under this measure;
- (10) Requiring HHFDC to enter into a memorandum of understanding with the City and County of Honolulu relating to the enactment of this measure to be eligible for moneys from the Revolving Fund; and
- (11) Changing the effective date to July 1, 2066, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takai.

**SCRep. 703 Human Services & Housing on H.B. No. 811**

The purpose of this bill is to protect elders from abuse and financial and economic exploitation by strengthening and clarifying the laws on adult protective services.

The City and County of Honolulu Department of Community Services Elderly Affairs Division, Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, Catholic Charities Hawaii, Child and Family Service, Healthcare Association of Hawaii, Hawaii Chapter of the National Association of Social Workers,



and a concerned individual testified in support of this bill. The Department of Human Services and American Civil Liberties Union of Hawaii opposed this measure. The Disability and Communication Access Board, Hawaii Centers for Independent Living, and a concerned individual provided comments.

Your Committee respectfully requests the Committee on Judiciary to review concerns regarding the possibility of this measure being age discriminatory and whether loopholes in Hawaii's Medical Use of Marijuana Program still remain in this bill as amended.

Accordingly, your Committee has amended this bill by:

- (1) Amending the definition of "primary caregiver" in the Medical Use of Marijuana law;
- (2) Removing the definition of "elder"; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 811, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 811, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 704 Human Services & Housing on H.B. No. 1363**

The purpose of this bill is to protect the public housing residents and their guests by making criminal trespass in the second degree applicable to public housing projects administered by the Hawaii Public Housing Authority (HPHA).

HPHA and the Honolulu Police Department testified in support of this bill. The American Civil Liberties Union of Hawaii and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Removing the provision that would have required reasonable warning or request to leave by housing authorities or a police officer;
- (2) Establishing the act of a person knowingly entering or remaining unlawfully in or upon the premises of a public housing project as a violation of criminal trespass in the second degree; and
- (3) Making other technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1363, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 705 Health/Consumer Protection & Commerce on H.B. No. 1067**

The purpose of this bill is to improve the State's process in approving the expansion or creation of new health care facilities and services by establishing a temporary blue ribbon panel to:

- (1) Study the certificate of need (CON) process in other states; and
- (2) Recommend changes or the abolishment of Hawaii's CON process.

The Governor's Policy Office on behalf of the Administration, Department of Health, Healthcare Association of Hawaii, Hawaii Government Employees Association and numerous concerned individuals opposed this bill.

Your Committees have amended this bill by inserting provisions that:

- (1) Clarify the development responsibility of the State Health Planning and Development Agency (SHPDA);
- (2) Redefine and narrow the scope of CON requirements so that they are only required for:
  - (A) Emergency rooms;
  - (B) Freestanding emergency care facilities; and
  - (C) Surface ambulance services;
- (3) Reverse the order in which the Statewide Health Coordinating Council (Statewide Council) and the individual Subarea Health Planning Council (Subarea Council) hear a CON application to provide the Subarea Council more input closer to the final stage of the CON process;
- (4) Eliminate the CON Review Panel to streamline the CON process;
- (5) Require the SHPDA administrator to give greater weight to the Subarea Council's decision when the Statewide Council's and Subarea Council's recommendations conflict; and
- (6) Require that a hearing on a CON applicant's request for reconsideration must be held on the island where the new facility or activity will be based.

Your Committees have further amended this bill by:

- (1) Changing the effective date to January 1, 2009, to facilitate 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 Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1067, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1067, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Herkes, Luke, Morita, Shimabukuro, Souki and Takai.

**SCRep. 706 Health/Human Services & Housing on H.B. No. 208**

The purpose of this measure is appropriate funds to the Department of Health to make additional payments to the providers of developmental disabilities domiciliary homes and apartment complexes so that these providers may continue to provide residential services to persons with developmental disabilities.

Your Committees received testimony in support of the measure from the State Council on Developmental Disabilities, the Disability and Communication Access Board, the Hawaii Centers for Independent Living, and The Arc in Hawaii. Testimony offering comments on the measure was received from the Department of Health.

Your Committees find that funds previously appropriated to the Department of Health to make additional payments to providers of developmental disabilities domiciliary homes and apartment complexes have not been sufficient to enable those providers to continue their operations. Unless additional funds are appropriated, operational deficits may well force the closure of these developmental disabilities domiciliary homes and apartment complexes.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 208 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 707 Health/Human Services & Housing on H.B. No. 822**

The purpose of this measure is to assist caregivers by providing a grant-in-aid to each county to design a family caregiver grant program to provide grants to caregivers who are caring for persons who are aged, infirm, or disabled.

The Department of Community Services of the City and County of Honolulu and an individual submitted testimony in support. The Hawaii Aging Advocates Coalition supported the intent of the measure and the Hawaii Centers for Independent Living expressed reservations.

Your Committees find that goods and services needed by caregivers are not readily available from other sources. Your Committees further find that grants to caregivers would provide the flexibility needed to better meet the comprehensive needs of caregivers as well as care recipients.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 822 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 708 Health/Human Services & Housing on H.B. No. 1514**

The purpose of this bill is to exempt from income tax and general excise tax, amounts received by a certified adult foster home for the care of an adult with developmental disabilities.

Numerous members of the Adult Foster Home Association of Hawaii supported this bill. The Hawaii Coalition of Care Home Administrators (HCCHA) supported this bill with amendments. The Department of Taxation (DOTAX) provided comments.

Unfortunately, due to the tight time constraints of the legislative calendar, your Committees did not have the opportunity to address the concerns raised by HCCHA. Therefore, your Committees respectfully request the Committee on Finance to consider an amendment to include adult residential care homes (ARCH). Additionally, your Committees respectfully request DOTAX to revise its estimated revenue loss to include ARCHs.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1514 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 709 Health/Human Services & Housing on H.B. No. 355**

The purpose of this measure is to provide a tax credit to caregivers who care for a related disabled elderly person in their homes.

Your Committees received testimony supporting this measure from the International Longshore and Warehouse Union Local 142, Local 5 Hawaii, and a concerned citizen. Your Committee also received comments from the Department of Taxation. The Hawaii Aging Advocates Coalition supported the intent of this measure and the Policy Advisory Board for Elder Affairs supported the measure with reservations.

Your Committees finds that home and community-based care is increasingly becoming the preferred method of providing long-term care for the disabled elderly. Homecare avoids the high cost of institutional care and provides a healthy and safe environment for the disabled elderly who often prefer to remain in a home setting with family. Home care providers, however, often forego their own needs and responsibilities to care for a loved one. Many caregivers experience financial difficulties and are forced to take paid or unpaid leaves of absence and even early retirement.

This measure would provide a modicum of relief for caregivers to continue to assist their loved ones in a home care setting.

Your Committees have amended the measure by adopting the recommendations of the Department of Taxation to:

- (1) Pay out the tax credit in the order that the tax credit is claimed, subject to an overall cap;
- (2) Clarify that the tax credit applies to a taxpayer that is subject to the state income tax;
- (3) Clarify that "taxable year" when referred to in this measure means a care recipient who resides with a caregiver for at least nine months in the year the tax credit is claimed;
- (4) Clarify that "net income tax" means the tax credit is reduced by all other tax credits claimed by the taxpayer;
- (5) Remove the provision requiring taxpayers to be in compliance with all laws;
- (6) Clarify the definition of "qualified care recipient";

- (7) Require the Department of Taxation to act as a conduit for information sent from the Office on Aging to caregivers; and
- (8) Appropriate an unspecified amount to assist the Department of Taxation with information sent from the Executive Office on Aging to caregivers.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 355, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 355, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 710 Health on H.B. No. 875**

The purpose of this bill is to mitigate the critical shortfall of paramedics in Hawaii by assisting students to access the classroom and clinical training necessary to become mobile intensive care technicians, also known as paramedics.

More specifically, the bill establishes a training stipend program for emergency medical technicians who want to advance in their chosen profession by enrolling in a state-qualified mobile intensive care technician training program.

A facilitator from the Maui Emergency Medical Services Advisory Committee submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committee finds that an estimated two hundred fifty mobile intensive care technicians are needed by 2008 to fully staff the State's emergency medical services system. The lack of local training programs has made the shortage even more acute, especially on the neighbor islands.

Your Committee also finds that the state-qualified mobile intensive care technician training program requires classroom and practical training, with the latter offered only on the island of Oahu. Thus, students from the neighbor islands must relocate to Oahu for four to eight months for clinical skills training and internship.

Your Committee further finds that state-funded stipends to train in an accredited eighteen-month program are available only to employees of the City and County of Honolulu and to employees of the Hawaii County Fire Department. Accordingly, many emergency medical technicians who are not civil service employees are unable to enroll in the mobile intensive care technician training and internship program without financial 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 H.B. No. 875, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 711 Health on H.B. No. 1466**

The purpose of this measure is to ensure a continuation of assistance to the developmentally disabled.

Specifically, this bill provides the Department of Health with an additional year in which to administer community residential alternatives for persons with developmental disabilities or mental retardation that require that the person live in a setting of the person's choice. If the person determines that the person can be sustained with supports, the supports are attached to the person, and adequate consideration and recognition is given to the person's safety and well-being.

The measure also provides the Department with additional time to prepare the preliminary and final reports regarding persons with developmental disabilities or mental retardation who choose to live independently in a setting of the person's choice, sustained with supports.

Your Committee received testimony in support of the measure from the State Council on Developmental Disabilities, the Disability and Communications Access Board, the Department of Health, and the Hawaii Disability Rights Center.

Your Committee finds that Act 303, Session Laws of Hawaii 2006, requires that the community residential alternatives provided by the Department of Health as part of the supports and services of the developmental disabilities system for persons with developmental disabilities or mental retardation must be in a setting of the person's choice. Thus, Act 303 enables a disabled person to live in a home or an apartment alone or with one or two friends. Without Act 303, the person would be restricted to living in a licensed adult residential care home, an adult foster home, or a developmental disabilities domiciliary home. Act 303 is scheduled to be repealed in 2008, and unless the repeal date is extended, persons with developmental disabilities or mental retardation will no longer be able to live in a setting of the person's choice.

Your Committee finds that Act 303 reflects the Legislature's acknowledgement that a developmentally disabled person has the right to determine where the person wishes to live and with whom, as long as supports are provided, and those supports follow that person in the community. Your Committee further finds that more time is needed to assess the impacts of Act 303, and accordingly, more time is needed by the Department of Health to prepare the preliminary and final reports required under that Act.

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. 1466 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 Takai.

**SCRep. 712 Health on H.B. No. 153**

The purpose of this bill is to ensure that residents of the Waianae Coast of Oahu receive appropriate medical care by appropriating funds to the Waianae Coast Comprehensive Health Center (WCCHC) for emergency services.

WCCHC and the Office of Hawaiian Affairs testified in support of this bill. The Department of the Attorney General offered comments.

Your Committee finds that since 1976, the State has provided annual subsidies to operate WCCHC's emergency room, one of the most heavily used facilities of its kind on Oahu.

Your Committee has amended this bill by:

- (1) Clarifying that the appropriation is a grant pursuant to chapter 42F, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 153, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 713 Health on H.B. No. 204**

The purpose of this bill is to appropriate funds to the Department of Health to ensure the continuation of vital health services and programs. Specifically, this bill appropriates:

- (1) \$260,000 for each year of fiscal biennium 2007-2009, to establish 5 permanent staff positions to continue free developmental and behavioral screening and early detection services for 3- to 5-year-old preschool children who may be at risk for speech and language delays, developmental or learning disabilities, emotional or behavioral problems, and other disabilities;
- (2) \$60,000 for each year of fiscal biennium 2007-2009, to hire and maintain on the Department of Health, Family Health Services Division's staff, a permanent registered nurse V position to administer and coordinate the programmatic aspects of the comprehensive primary care services program, instead of continuing to hire an outside consultant who can only address a fraction of the responsibilities that the permanent registered nurse V could provide; and
- (3) \$41,500 for each year of fiscal biennium 2007-2009, for the Injury Prevention and Control Program to hire and maintain on its staff a qualified individual (planner IV position) to be responsible for:
  - (a) Building the injury and violence prevention agenda;
  - (b) Engaging staff and stakeholders in the process;
  - (c) Planning, implementing, and evaluating injury and violence prevention strategies and interventions;
  - (d) Developing and supporting policies, regulations, and legislation; and
  - (e) Initiating and supporting coalitions and partnerships that support these efforts.

The State Council on Developmental Disabilities, Hawaii Early Intervention Coordinating Council, Seagull Schools, Kapiolani Child Protection Center, Calvary Episcopal Preschool, and several concerned individuals testified in support of this bill. The Department of Health supported the intent of this measure.

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

- (1) Clarifying that it is the Maternal and Child Health Branch and not the Injury Prevention and Control Program that is responsible for family violence prevention programs;
- (2) Appropriating funds for the Maternal and Child Health Branch, not the Injury Prevention and Control Program, to hire a planner; and
- (2) [sic] Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 204, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 714 Health on H.B. No. 1120**

The purpose of this bill is to improve the State's ability to address the current dental health care crisis by appropriating an unspecified sum to the Hawaii Primary Care Association to establish or expand community-based dental health clinics operated by federally-qualified health centers to serve QUEST-eligible adults and children, individuals with developmental disabilities, and the uninsured.

The State Council on Development Disabilities, Hawaii Primary Care Association, Kokua Council, Kokua Kalihi Valley, Ho'ola Lahui Hawaii, Papa Ola Lokahi, West Hawaii Community Health Center, Inc., Bay Clinic, Inc., Community Health Center, Community Clinic of Maui, Hamakua Health Center, Kalihi-Palama Health Center, Molokai Ohana Health Care, Inc., and Lutheran Medical Center-Hawaii Region testified in support of this bill. A concerned individual provided comments.

It is your Committee's understanding that the Hawaii Primary Care Association has requested that the funding be appropriated directly to the Department of Health. Accordingly, your Committee has amended this bill by:

- (1) Appropriating the funds to the Department of Health for the establishment or expansion of community-based dental health clinics, instead of awarding a grant-in-aid to the Hawaii Primary Care Association; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1120, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 715 Health on H.B. No. 1448**

The purpose of this measure is to establish a joint advisory working group to address physician shortage conditions in the State by offering recommendations to resolve the shortage.

Specifically, the measure directs the working group to review physician densities in the State and designate three health care zones according to each zone's adequate, shortage, or critical physician shortage condition. The working group is also directed to submit recommendations on alleviating the physician shortage conditions to the Legislature, the Governor, and the public.

The Department of Health submitted comments on the bill.

Your Committee finds that healthcare shortages exist in many areas of the State and notes that there are federally designated health care professional shortage areas in all counties of the State, as noted in the Department of Health's testimony. After an area is designated as a health professional shortage area by the federal government, the area becomes eligible for various federal benefits intended to ease the health care professional shortage. The federal designation is based in part upon provider to population ratios, unlike the determination of physician shortages by density, as mandated by the bill. Your Committee believes this measure will enhance other existing initiatives that are focusing on increasing access to health care providers for the medically underserved in the State.

Your Committee has amended the measure by:

- (1) Adding the Chairperson of the Board of Directors of the Hawaii State Center for Nursing, University of Hawaii, as a member of the joint advisory working group; and
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1448, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 716 Higher Education on H.B. No. 229**

The purpose of this bill is to improve healthcare in medically underserved areas of the state by establishing the Hawaii Health Corps Program (Program) to provide incentives for healthcare professionals to serve in areas of need. Specifically, this bill, among other things:

- (1) Provides for the identification of health professional shortage areas;
- (2) Establishes annual award amounts for eligible healthcare professionals who undertake a specified service obligation in shortage areas of the state;
- (3) Grants loan and scholarship awards for eligible student participants;
- (4) Authorizes the receipt of funds from public and private sources into the Hawaii Health Corps Fund to support the Program; and
- (5) Appropriates funds for the operations and staff of the Program.

The Mayor of the County of Hawaii testified in support of this bill. The Department of Health (DOH) and University of Hawaii John A. Burns School of Medicine (JABSOM) supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Placing the Program under JABSOM, rather than DOH;
- (2) Changing the appropriation amounts to \$1 to encourage further discussion;
- (3) Changing the expending agency for the appropriation from DOH to JABSOM; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 229, 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. 229, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Nishimoto, Shimabukuro, Takamine and Wakai.

**SCRep. 717 Higher Education on H.B. No. 1477**

The purpose of this bill is to improve healthcare access for the people of Hawaii by establishing and appropriating funds for a statewide rural training model to produce a robust, well-trained primary healthcare workforce and place family physicians in rural areas.

The Department of Family Medicine and Community Health (DFMCH) of the University of Hawaii John A. Burns School of Medicine (JABSOM), mayor of the County of Hawaii, Hawaii Health Systems Corporation (HHSC), East Hawaii Region of HHSC, Hawaii Primary Care Association, and many concerned individuals testified in support of this bill. The Department of Health (DOH), JABSOM, and a concerned individual supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation for the development of a statewide rural training model as follows:
  - (A) Clarifying that the funds appropriated will go toward the development of a statewide rural primary healthcare training program to provide family physicians to rural areas and improve healthcare access for the people of Hawaii;
  - (B) Changing the appropriation amount to \$1, to encourage further discussion; and
  - (C) Changing the expending agency from DOH to JABSOM;
- (2) Inserting an appropriation to support and expand the Family Medicine Residency Program of DFMCH to provide rural primary healthcare services;
- (3) Clarifying the purpose language to reflect the addition of this appropriation; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1477, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1477, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Nishimoto, Shimabukuro, Takamine and Wakai.

**SCRep. 718 Higher Education/Public Safety & Military Affairs on H.B. No. 1720**

The purpose of this bill is to assist in the identification of the ongoing needs of communities affected by natural disasters, and the development, coordination, and distribution of resources to meet those needs, by appropriating funds for the continuation and expansion of the University of Hawaii (UH) School of Social Work's long-term case management training program (Program) for victims of major natural disasters.

The National Association of Social Workers-Hawaii Chapter, Hawaii State Chapter of the American Red Cross, and several concerned individuals testified in support of this bill. The Department of Defense, UH, and several concerned individuals supported the intent of this measure.

Your Committees note that currently, there is no federal funding for the Program, and a request for funding has not been submitted for inclusion in UH's biennium budget request because the Program is still in its early stages. Your Committees encourage the UH School of Social Work to pursue these avenues of funding for the Program, and also suggest that funding be sought from the National Association of Social Workers.

Accordingly, your Committees have amended this bill by requiring the Program to submit to the Legislature, prior to the Regular Session of 2008, a report on the status and progress of its operation and expansion efforts, including efforts to pursue alternative sources of funding.

Your Committees have further amended this bill by:

- (1) Changing the appropriation amount to \$1 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 Higher Education and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1720, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1720, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Luke, Shimabukuro, Sonson, Souki, Takamine and Takumi.

**SCRep. 719 Health on H.B. No. 464**

The purpose of this measure is to require any recipient of state funding that provides sexual health education to provide medically accurate, factual information that is age-appropriate and includes education on both abstinence and contraception.

Your Committee received testimony in support of this measure from the Superintendent of Education, the American Civil Liberties Union of Hawaii, the Hawaii State Democratic Women's Caucus, Planned Parenthood of Hawaii, Planned Parenthood of Hawaii's Action Network, and two private citizens. Testimony in opposition was received from Catholic Charities Hawaii, the Hawaii Family Forum, the Roman Catholic Church in the State of Hawaii, and four private citizens.

Your Committee notes that Catholic Charities Hawaii currently operates a federally funded abstinence education program that has made presentations to public and independent school students throughout the State over the past three years. As part of the federal grant, the University of Hawaii School of Social Work has been contracted to evaluate the effectiveness of the program, which has been funded for an additional five years. According to the testimony presented, that federal funding will be canceled if Catholic Charities is required to provide medically accurate information regarding contraception.

Your Committee further notes that its intent is not to jeopardize ongoing programs that receive federal funding with attached conditions that conflict with this proposed new state requirement. Accordingly, your Committee has amended this measure to exempt from its requirements those programs receiving federal funds, as of the effective date of the measure, that would be canceled if the program complied with the new state requirements. The exemption would last as long as the federal funding that conflicts with the state requirements.

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. 464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 464, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 720 Health on H.B. No. 367**

The purpose of this measure is to ensure that referrals to appropriate alcohol and drug abuse screening and counseling are offered to patients in primary care or emergency room settings when they are suspected by physicians to be at risk for, or diagnosed with, alcohol or other substance use disorders.

More specifically, the bill:

- (1) Requires physicians to offer a screening and counseling referral to patients suspected of alcohol or drug abuse;
- (2) Directs the University of Hawaii to develop and implement a pilot program at a medical facility for screening, brief intervention, and referral to substance abuse treatment; and
- (3) Appropriates funds to implement the pilot program.

The Hawaii Substance Abuse Coalition, Mothers Against Drunk Driving, and a private citizen submitted testimony in support of the bill. The Office of the Lieutenant Governor supported the intent of the bill.

Your Committee finds that medical personnel in emergency rooms and trauma centers have successfully implemented similar programs in other states. Your Committee further finds that this evidence-based, cost effective approach to substance abuse treatment has shown dramatic reductions in alcohol and other drug use among patients receiving 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 H.B. No. 367 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 721 Health on H.B. No. 1764**

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds to assist the Hawaii Health Systems Corporation or any of its regional subsidiary corporations.

Specifically, proceeds from the issuance of the bonds will assist the corporation or its subsidiaries in financing the construction, improvement, and equipment of the corporation's or its subsidiary's healthcare facilities, including the construction of a new heart, brain, and spine center on Maui.

Your Committee received testimony in support of the measure from the Hawaii Health Systems Corporation and the Maui Memorial Medical Center. Testimony offering comments on the measure was received from the Department of Budget and Finance.

Your Committee finds that the expansion of cardiology and neurology services at Maui Memorial Medical Center will have a tremendous positive impact on the health and wellness of all residents of Maui and the State. Your Committee further finds that this measure comprises initiatives that are supportive of the corporation's goals and objectives.

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. 1764 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 Takai.

**SCRep. 722 Health on H.B. No. 1828**

The purpose of this bill is to reduce financial barriers to individuals considering becoming organ donors by providing a tax deduction to organ donors in an amount not to exceed \$10,000.

The Organ Donor Center of Hawaii and many concerned individuals testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii 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 H.B. No. 1828 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 723 Health on H.B. No. 231**

The purpose of this measure is to exempt, from the county surcharge on the excise tax, the costs of medical services performed or provided by a licensed medical practitioner, hospital, medical facility, nursing home, or rehabilitation facility.

Testimony in support of this measure was provided by the Healthcare Association of Hawaii, Hawaii Society of Clinical Oncology, and six individuals, including several medical doctors. The Department of Taxation and Tax Foundation of Hawaii offered their comments.

Your Committee is concerned that, while all residents of the State should be entitled to quality medical care, many residents are uninsured patients of community health centers and emergency rooms. This uninsured population places added burdens on our health care system. Your Committee is further concerned that the one-half per cent county surcharge on the excise tax to fund mass transit is further exacerbating this situation. This measure is an attempt to ease that burden by providing for an exemption from the surcharge for the cost of medical services.

Your Committee has amended this measure by excluding, from this exemption from the surcharge tax, any costs for elective medical procedures, including but not limited to cosmetic surgery.

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. 231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 231, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 724 Health on H.B. No. 541**

The purpose of this measure is to appropriate funds for the healthy start program, including the enhanced healthy start program, hiring additional program staff, and training.

Your Committee finds that the healthy start program is an important resource for preventing child abuse and neglect and promoting child health and development in newborns of families at risk for poor child outcomes. The success of this program has led to enhancements that incorporate a multi-disciplinary team to serve families at risk as well as children. The continued success of these programs would be served by an appropriation to address budgetary shortfalls and implement improvements to the healthy start and enhanced healthy start programs.

The Good Beginnings Alliance, Parents and Children Together, Catholic Charities Hawaii, Family Support Services of West Hawaii, and Hawaii Family Support Institute submitted testimony in support of this measure.

The Department of Human Services submitted comments.

The Department of Health submitted testimony in opposition to this measure.

Your Committee appreciates the importance of preventing child abuse and neglect and supporting the development of healthy children and families. Your Committee also recognizes the practicality of the budgetary effects of an appropriation to fund improvements to the healthy start program and enhanced healthy start program. Accordingly, your Committee recommends exploring alternative methods of funding these improvements, particularly, through the use of federal funds from the Temporary Assistance to Needy Families program.

Your Committee has changed the effective date of this appropriation to January 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 541, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 725 Health on H.B. No. 582**

The purpose of this bill is to make an appropriation for the establishment of a twenty-four-hour, seven-days-a-week, rapid response emergency medical services unit to serve the Mililani/Mililani Mauka area on Oahu.

The Honolulu Emergency Services Department, the Mililani/Waipio/Melemanu Neighborhood Board No. 25, and several concerned individuals testified in support of this bill. The Department of Health opposed this measure.

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

- (1) Reducing the appropriation amount from \$1,900,000 to \$1,500,000; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 582, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 726 Health on H.B. No. 1465**

The purpose of this bill is to provide the people of the southern portion of the island of Hawaii, which currently lacks sufficient hospital and health center facilities and is particularly vulnerable in the event of a serious medical emergency, with increased access to appropriate emergency and urgent medical care, by appropriating funds to the Department of Health to develop a pilot program in cooperation with emergency medical services, the fire department, the Hawaii Health Systems Corporation, and the community clinics, to provide two emergency mobile urgent care units to be stationed at the fire departments in the communities of Ocean View and Volcano.

The Hawaii Medical Service Association testified in support of this bill. The Department of Health opposed this measure.

Your Committee finds that this bill provides for a pilot program limited to address a single medical shortage area on the Big Island.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2009, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1465, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 727 Health on H.B. No. 1467**

The purpose of this bill is to prevent Hawaii's high rate of death, liver cancer, and illnesses that requires liver transplants, which stems from the lack of testing, early medical follow-up, treatment, and proactive intervention for chronic viral hepatitis. Specifically, this bill appropriates \$120,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 to the Department of Health for a two-year Hepatitis C demonstration project to provide testing, case management, treatment, surveillance, research, and outcome assessments at the Waikiki Health Center and the West Hawaii Community Center.

The Waikiki Health Center; Hawaii Disability Rights Center; Asian American Network for Cancer Awareness Research and Training; Nursing, Advocates & Mentors, Inc.; United Filipino Council of Hawaii; National Federation of Filipino American Associations, Region 12; Filipino Coalition for Solidarity; Oahu Filipino Community Council; Philippine Nurses Association-Hawaii, and several concerned individuals testified in support of this bill. The Department of Health opposed this measure.

Your Committee notes that there is strong support from the Filipino community for finding a way to fund this worthy initiative, which will aid Filipino and Pacific Island immigrants, who are disproportionately affected by Hepatitis C.

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

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1467, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 728 Health on H.B. No. 1534**

The purpose of this measure is to appropriate funds to the Department of Health, for a pilot program to be administered through the Waianae Coast Comprehensive Health Center, to provide substance abuse counseling and behavior health services to the homeless and uninsured on the Waianae Coast.

Your Committee received testimony in support of the measure from the Waianae Coast Comprehensive Health Center and a concerned citizen. Testimony in opposition was received from the Department of Health.

Your Committee finds that the Waianae Coast Comprehensive Health Center has identified an outpatient substance abuse treatment provider who will provide non-residential specialized services on a scheduled basis for individuals with substance abuse problems. The provider began its operations in 1994 and has experience in providing substance abuse treatment services. Your Committee further finds that funds are needed to ensure that the pilot program will be successfully administered under the comprehensive primary care services contract with the Waianae Coast Comprehensive Health Center.

Your Committee has amended this measure by inserting the sum of \$65,000 for the appropriation.



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. 1534, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1534, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 729 Health/Human Services & Housing on H.B. No. 71**

The purpose of this bill is to better monitor and evaluate the quality and competency of care provided by nurse aides in Hawaii by requiring all practicing nurse aides working in state-licensed or state-certified health care settings to be certified in a manner similar to nurse aides working in Medicare or Medicaid programs.

The Department of Commerce and Consumer Affairs (DCCA), Department of Health (DOH), Department of Human Services (DHS), Healthcare Association of Hawaii, Hawaii Long Term Care Association, and Hawaii Coalition of Care Home Administrators supported this bill with amendments.

Your Committees have amended this bill by:

- (1) Prohibiting anyone from claiming to be a Certified Nurse Aides (CNA) unless they are certified pursuant to Chapter 457A, Hawaii Revised Statutes;
- (2) Requiring DOH to adopt rules on CNA enforcement;
- (3) Requiring DHS to adopt rules on CNA training programs and enforcement;
- (4) Defining "Medicare or Medicaid-certified nursing facilities" and substantiated findings;
- (5) Requiring the Director of DCCA to insert any substantiated findings regarding a CNA into a nurse aide registry;
- (6) Removing the responsibility of the Directors of Health and Human Services for investigating, reporting, or imposing penalties related to findings of abuse, neglect, or mistreatment which involve a CNA in a state-licensed or state-certified facility; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 71, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 71, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 730 Health/Human Services & Housing on H.B. No. 807**

The purpose of this bill is to provide expanded assistance and support to family caregivers by appropriating funds to expand the Kupuna Care Program in-home and access services.

The Department of Community Services of the City and County of Honolulu, Project Dana, Catholic Charities Hawaii, Child and Family Service, Hawaii Aging Advocates Coalition, Kokua Council, Policy Advisory Board for Elder Affairs, Anuenue Hale, Inc., ILWU Local 142, and several concerned individuals supported this bill. The Department of Health supported the intent of the bill.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 807 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 731 Health/Human Services & Housing on H.B. No. 817**

The purpose of this bill is to assist people receiving Medicare and Medicaid benefits, as well as their families, caregivers, and people on the verge of retirement by appropriating funds for the operating costs to expand and support the Sage PLUS Program on the neighbor islands.

The Department of Health, Kokua Council, Policy Advisory Board for Elder Affairs, Hawaii Alliance for Retired Americans, ILWU Local 142, and a concerned individual testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 817 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 732 Health/Human Services & Housing on H.B. No. 824**

The purpose of this bill is to improve the accessibility and livability of the homes of disabled people by providing a tax credit for taxpayers who make modifications to their homes to accommodate individuals with disabilities.

The Disability and Communication Access Board and AARP supported this bill. The Department of Taxation submitted comments on this measure.

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 824, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 824, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 733 Health on H.B. No. 1704**

The purpose of this bill is to provide community-based governance of Hawaii's state-run hospitals by:

- (1) Splitting the five regions within the Hawaii Health Systems Corporation (HHSC); and
- (2) Establishing a regional subsidiary corporation for the Maui region as a first step to more regional control for all regions.

The Maui Medical Group, Maui Memorial Medical Center's Administration, and numerous concerned individuals supported this bill. The Hawaii Government Employees Association supported the intent of this measure. HHSC, several members of HHSC Board of Directors, the administrative bodies of: West Kauai Medical Center, Kona Community Hospital, Hilo Medical Center, Ka'u Hospital, and Leahi Hospital; and United Public Workers opposed this bill. The Office of Informational Practices submitted comments.

Your Committee has requested that stake-holders in this important measure meet with one another to work out their differences, develop an amicable solution for all parties, and provide the recommendations by March 1, 2007. It is apparent by the strong showing of this bill's proponents from Maui that the Maui region needs some form of independence to develop appropriate health care plans and facilities that serve Maui's specific communities' needs in the best possible way.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2500, to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1704, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 734 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1200**

The purpose of this bill is to appropriate funds for the biennial budget of the Office of Hawaiian Affairs. Specifically, the Office of Hawaiian Affairs is requesting:

- (1) \$2,085,696 from the general fund and \$3,098,206 from the trust fund for fiscal year 2007-2008 and \$2,119,663 from the general fund and \$3,190,167 from the trust fund for fiscal year 2008-2009, for beneficiary advocacy; provided that:
  - (A) \$415,000 from the general fund and \$415,000 from the trust fund for each year of fiscal biennium 2007-2009 is to be used to provide social services to Office of Hawaiian Affairs beneficiaries, including information and referral services, case management and counseling, establishment of individual development accounts, financial literacy, and financial assistance;
  - (B) \$490,433 from the general fund and \$490,433 from the trust fund for fiscal year 2007-2008 and \$524,400 from the general fund and \$524,400 from the trust fund for fiscal year 2008-2009 is to be used to provide educational enrichment programs to Native Hawaiian schoolchildren throughout the state; and
  - (C) \$592,302 from the general fund and \$592,302 from the trust fund in each year of fiscal biennium 2007-2009 is to be used to provide legal services and legal representation to Office of Hawaiian Affairs beneficiaries;
- (2) \$31,149 from the general fund and \$272,193 from the trust fund for fiscal year 2007-2008 and \$31,149 from the general fund and \$284,608 from the trust fund for fiscal year 2008-2009 for Office of Hawaiian Affairs operating expenses;
- (3) \$936,263 from the general fund and \$2,837,087 from the trust fund for fiscal year 2007-2008 and \$936,263 from the general fund and \$2,952,722 from the trust fund for fiscal year 2008-2009 for Office of Hawaiian Affairs administration operating expenses; and
- (4) \$56,040,000 for fiscal biennium 2007-2009 for capital improvement projects funds for the design, construction, and equipment for a new Kakaako Culture Center and office building, of which \$28,020,000 is from the issuance of general obligation bonds and the remaining \$28,020,000 is matching funds from the trust fund.

The Office of Hawaiian Affairs and Na Pua No'eau testified in support of this bill.

The Kakaako Cultural Center would be a focal point for the Hawaiian community to address the issues and concerns of all Hawaiians for the betterment of their health, cultural lifestyle, and economic well-being.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1200 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 735 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1831**

The purpose of this bill is to protect native species, the natural environment, public and private land and resources, and human health and safety from game mammals by requiring the Department of Land and Natural Resources to effectively fence in game mammals into areas maintained for commercial, public, or private hunting.

The Sierra Club-Hawaii Chapter, Conservation Council for Hawaii, The Nature Conservancy of Hawaii, the Hawaii Audubon Society, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources, Hawaii Forest Industry Association, and the Hawaii Rifle Association opposed this measure.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 736 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1578**

The purpose of this bill is to ensure that native Hawaiians can practice their culture, by requiring the Department of Land and Natural Resources (DLNR) to consult with native Hawaiian practitioners (kupuna) prior to adopting and implementing lay gill net fishing regulations and prohibitions. This bill also requires DLNR to:

- (1) Consult with native Hawaiian practitioners (kupuna) and experts during the administrative rule-making process and prior to adopting and implementing lay gill net fishing regulations and prohibitions;
- (2) Include in the prohibitions or restrictions a monitoring and assessment program to determine their efficacy, and an enforcement plan;

- (3) Ensure the availability of adequate funding and resources to monitor, enforce, and assess the efficacy of the prohibitions and restrictions; and
- (4) Ensure that the prohibitions and restrictions are the result of analysis that includes the use of peer-reviewed science and Hawaiian science based on traditional knowledge,

prior to prohibiting or limiting fishing in any area open to public fishing. This bill also appropriates funds for the development of lay net gill fishing rules in this manner.

The Association of Hawaiian Civic Clubs, the Hawaiian Civic Club of Hilo, the Pearl Harbor Hawaiian Civic Club, the Princess Kaiulani Hawaiian Civic Club, Hawaii Nearshore Fishermen, and several concerned individuals testified in support of this bill. DLNR, Conservation Council for Hawaii, Malama Hawaii, Sierra Club-Hawaii Chapter, The Nature Conservancy of Hawaii, the secretary of the Hawaii Waikaha'olu Chapter of Trout Unlimited, and a large number of concerned individuals opposed this measure.

Your Committee notes that a suggestion was made that specifically, the Aha Moku Councils and the Hawaiian Civic Clubs should be consulted during this process.

Your Committee has amended this bill by:

- (1) Delaying application of the requirement to rules adopted or implemented after July 1, 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1578, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.  
(Representatives Morita, Saiki and Thielen voted no.)

**SCRep. 737 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1948**

The purpose of this bill is to establish an Aha Moku Council System, in which the Aha Moku Councils, or community groups, serve in an advisory capacity on all matters regarding the management of the state's natural resources.

The Nature Conservancy of Hawai'i, the Association of Hawaiian Civic Clubs, the Hawaiian Civic Club of Hilo, the Princess Ka'iulani Hawaiian Civic Club, the O'ahu Council of the Association of Hawaiian Civic Clubs, the Pacific Islands Resource Management Institute, the Hawaii Nearshore Fishermen, and a large number of concerned individuals testified in support of this bill. The Department of Land and Natural Resources and the Ko'olaupoko Hawaiian Civic Club supported the intent of this measure. The Office of Hawaiian Affairs supported this bill with amendments.

Your Committee has amended this bill by:

- (1) Creating a new chapter in Title 12, Hawaii Revised Statutes (HRS) Conservation and Resources, instead of inserting a new section in Chapter 187A, HRS, Aquatic Resources;
- (2) Including "agricultural" and "cultural" as additional focuses of the Council;
- (3) Requiring all state agencies to consult the Aha Moku Councils for advisory input from all councils that are likely to be affected by the state agency's proposed activity, for management and maintenance of marine, land, cultural, and natural resources to ensure their future sustainable use;
- (4) Clarifying the role of the executive secretary;
- (5) Providing that the Governor appoints the executive secretary based on recommendations of the mokus;
- (6) Prohibited the executive secretary from holding a seat on any of the councils;
- (7) Clarifying that the only member of the Aha Moku Commission (Commission) is the executive secretary;
- (8) Clarifying that the executive secretary, not the council members shall be reimbursed for their expenses;
- (9) Defining the Commission to mean the administrative office responsible for providing administrative and technical support to the councils to enable the councils to carry out their duties;
- (10) Clarifying that each named moku has its own council, and that there are no collective councils for each island;
- (11) Removing the provision that the Commission would develop a council elections system;
- (12) Clarifying that each moku decides on its own electoral process; membership on council; qualifications for membership; and term limits;
- (13) Clarifying the councils' activities to include meetings and collection of information from ahupua'a residents to be transmitted to the various branches of state government;
- (14) Defining ahupua'a resident to mean a resident who lives in the ahupua'a as his or her primary and permanent residence;
- (15) Providing that "people knowledgeable of the moku" can also participate in the meetings to collect information and recommendations;
- (16) Inserting a purpose section in the new chapter, to clarify the purpose and function of the Aha Moku Council System; and
- (17) Making other technical, nonsubstantives changes for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1948, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 738 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1905**

The purpose of this bill is to ensure the safety of dams and reservoirs in the state by:

- (1) Allowing the Department of Land and Natural Resources (DLNR) to enter onto property, public or private, at reasonable times and without prior notice to inspect any dam;
- (2) Allowing DLNR to immediately employ remedial emergency measures if it deems any dam or reservoir to be dangerous to the health and safety of persons or property; and
- (3) Establishing a Dam and Reservoir Repair Revolving Fund to implement emergency measures and make dam repair loans to owners of dams or reservoirs.

It should be noted that House Bill No. 1905 was previously heard by your Committee on Water, Land, Ocean Resources & Hawaiian Affairs and was reported out with amendments. Upon motion to recommit House Bill No. 1905, H.D. 1, your Committee on Water, Land, Ocean Resources & Hawaiian Affairs published a notice of hearing and circulated a proposed H.D. 2 to further discuss issues regarding this bill. The proposed H.D. 2 revised H.D. 1 by:

- (1) Reinserting the certificate of approval process for all dams, existing and new, to be certified to impound water, with existing dams applying for certification and new dams applying to have their plans and specifications approved prior to construction;
- (2) Expanding the scope of the Hawaii Dam Safety Act (Act) to all dams and reservoirs;
- (3) Deleting the provisions establishing a Dam and Reservoir Repair Revolving Fund; and
- (4) Restoring the original definition of reservoir, that includes certain irrigation impoundments actively managed for agricultural purposes.

DLNR, the Attorney General, Alexander and Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., and the Jurassic Kahili Ranch supported the intent of this measure. Kamehameha Schools opposed this bill.

Your Committee has further amended the proposed H.D. 2 by requiring owners of high and significant hazard potential dams to establish and provide to the Board of Land and Natural Resources and state and county civil defense agencies an emergency action plan, and to require all dam owners regulated under the Act to cooperate with state and county authorities in providing access and operation and maintenance information.

In response to DLNR's concern regarding the provision that requires DLNR to maintain complete control of any dam or reservoir in a dangerous situation until it is deemed to be safe, that DLNR does not have the resources to maintain command of multiple dams in multiple locations, especially given that most of the dams and reservoirs are physically distant from the engineering division located in Oahu, your Committee has further amended the proposed H.D. 2 by requiring the owner to cooperate with local authorities such as the county civil defense agency and police and fire departments to implement the individual Emergency Action Plan. DLNR would be authorized to take control to avert any danger if these first responders do not.

Your Committee also notes that all the financial aspects of ensuring dam safety will be considered with in House Bill No. 652, which is referred to your Committee on Finance.

Your Committee notes that a suggestion was made that it may be better to revert the scope of dams under the Act from "all" to "certain" dams, to enable DLNR to concentrate their efforts on certain high hazard dams and reservoirs. Your Committee recommends that the Committee on Judiciary consider this suggestion, and notes that your Committee extends its prior concurrence to your Committee on Judiciary to make amendments to this measure in accordance with this suggestion.

In addition, your Committee notes that DLNR is requesting 6.5 full-time position to staff the dam division to properly carry out its duties under this bill, and recommends that the Committee on Judiciary further consider this request.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1905, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1905, H.D. 2, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 739 Judiciary on H.B. No. 23**

The purpose of this bill is to ensure the safety of children by:

- (1) Adding providers and subcontractors to the list of individuals subject to criminal history record checks for purposes of employment with the Department of Education (DOE); and
- (2) Appropriating funds to conduct the criminal history record checks.

DOE testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Excluding trainees from the requirement for criminal history record checks of persons whose positions place them in close proximity to children, because student trainees are currently required to submit to fingerprint checks due to working in public schools;
- (2) Changing the effective date to January 30, 2112, 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. 23, 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. 23, H.D. 2.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 740 Judiciary on H.B. No. 681**

The purpose of this bill is to encourage and enable attorneys to serve the low-income community and practice public interest law by establishing the William S. Richardson School of Law Public Interest Law Loan Repayment Program at the University of Hawaii (UH) for eligible, licensed attorneys who practice public interest law in Hawaii.

The Attorney General, Office of the Public Defender, American Civil Liberties Union of Hawaii, Legal Aid Society of Hawaii, Advocates for Public Interest Law, The League of Women Voters of Hawaii, William S. Richardson Loan Repayment Assistance Program Committee, and numerous concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Providing that the administrator shall, in determining the applicant's commitment to public interest law, consider the applicant's need for financial aid while attending law school, to determine the priority and amount of loan repayment assistance;
- (2) Changing the appropriation amounts to unspecified sums;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that employment by a government agency would not in itself qualify an individual as working for a public interest law organization for the purposes of the proposed loan repayment program.

In addition, your Committee also notes that this measure relates only to the William S. Richardson School of Law at UH; therefore, persons who have attended law school outside of Hawaii but who practice law at a qualifying public interest law organization in the state fall beyond the scope 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. 681, 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. 681, H.D. 2.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 741 Judiciary on H.B. No. 1493**

The purpose of this bill is to ensure proper staffing of the Crime Victim Compensation Commission (Commission) by:

- (1) Exempting Commission staff from civil service requirements; and
- (2) Allowing Commission staff to maintain their right to collective bargaining.

The Commission testified in support of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2112, 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. 1493, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1493, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 742 Judiciary on H.B. No. 1326**

The purpose of this bill is to expand the authority of the Department of Commerce and Consumer Affairs Insurance Division's insurance fraud investigations unit from prosecuting only motor vehicle insurance fraud to prosecuting fraud in all lines of insurance under Title 24, Hawaii Revised Statutes (HRS). Specifically, this bill:

- (1) Expands the definition of insurance fraud to include not only the filing of fraudulent claims, but false insurance applications and sales of insurance as well;
- (2) Establishes criminal and civil penalty provisions for insurance fraud applying to all lines of insurance;
- (3) Provides for not only criminal prosecution by county prosecutors, but also administrative and civil insurance fraud actions initiated directly by the Insurance Commissioner; and
- (4) Replaces the Insurance Fraud Investigations Unit under Article 10C of the Insurance Code governing motor vehicle insurance with an Insurance Fraud Investigations Branch created in Article 2 of the Insurance Code governing the administration of all insurance laws.

The Attorney General, Department of Commerce and Consumer Affairs, American Council of Life Insurers, Hawaii Association of Health Plans, Hawaii Insurers Council, Hawaii Medical Service Association, National Association of Insurance and Financial Advisors Hawaii, and State Farm Insurance Companies testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying in Section 1 that its purpose and scope do not include or relate to insurance claims, applications, or sales arising from worker's compensation insurance or Chapter 386, HRS; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee recommends that the Committee on Finance further review the bill to ensure that the scope of this measure does not include or relate to insurance claims, applications, or sales arising from worker's compensation insurance or Chapter 386, HRS.

As affirmed by the record of votes of 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. 1326, 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. 1326, H.D. 2.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 743            Judiciary on H.B. No. 629**

The purpose of this bill is to require the Lieutenant Governor to post in a single, searchable database, the full text of all existing administrative rules for all state agencies on the Lieutenant Governor's Internet website.

The Office of the Lieutenant Governor submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Adding an appropriation section to fund the development and implementation of the website;
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 629, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 744            Judiciary on H.B. No. 661**

The purpose of this bill is to promote clean, fair elections and provide a viable, competitive alternative to private financing by establishing a comprehensive public funding system for election campaigns of the State House of Representatives.

Kokua Council, Americans for Democratic Action, UNITE HERE! Local 5, Life of the Land, Democratic Party of Hawaii, Progressive Democrats of Hawaii, Advocates for Consumer Rights, ASUH-HawCC Democracy Matters RISO Club, Hawaii Clean Elections, and numerous concerned individuals supported this bill. The Campaign Spending Commission (Commission) did not support this measure. The Department of Budget and Finance opposed this bill. The Legislative Reference Bureau submitted comments.

Your Committee finds that this measure will help to reduce the influence of private financing on campaigns.

Your Committee has amended this measure by:

- (1) Changing the scope of the comprehensive public funding system from the State House of Representatives to elections involving the county councils;
- (2) Reducing the minimum amount of funds, from \$6,000,000 to \$5,000,000, in the Hawaii Election Campaign Fund needed for the Commission to certify candidates and provide funding for comprehensive public funding for elections;
- (3) Revising the requirements for candidates seeking certification as a comprehensive publicly funded candidate by requiring the candidates to submit:
  - (A) Two hundred signatures and qualifying contributions for the county of Kauai;
  - (B) Two hundred signatures and qualifying contributions for the county of Hawaii;
  - (C) Two hundred signatures and qualifying contributions for the county of Maui; and
  - (D) Four hundred signatures and qualifying contributions for the city and county of Honolulu;
 from registered voters in the district for which the candidate seeks office;
- (4) Specifying that a comprehensively publicly funded candidate may accept in-kind contributions aggregating less than \$200 in any single month from any single source;
- (5) Specifying that the Commission shall not distribute comprehensive public funding to certified candidates that exceeds the total amount of \$5,000,000 for all candidates subject to the comprehensive public funded system;
- (6) Changing the limitation on equalizing funds from 200 percent of the base amount of comprehensive public funding allotted to the certified candidate to an amount equal to the base amount;
- (7) Commencing 45 days before the primary election day, specifying that nonparticipating candidates and the candidates' committees shall file supplemental excess reports within 24 hours after any encumbrances or expenditures that exceed \$1,000 in aggregate;
- (8) Commencing 45 days before the general election day, specifying that noncandidate committees, parties, and other persons that incur independent expenditures that expressly advocate the nomination, election, or defeat of a certified candidate shall file an independent expenditure report with the Commission within 24 hours when expenditures exceed \$1,000 in an election period;
- (9) Deleting the provision requiring that no less than \$2,500,000 shall be appropriated from the Unclaimed Property Trust Fund on an annual basis and deposited into the Hawaii Election Campaign Fund;
- (10) Inserting a general fund appropriation to fund the Hawaii Election Campaign Fund;
- (11) Changing the appropriation amount for the Commission to support comprehensive publicly funded elections to an unspecified amount;
- (12) Changing its effective date to January 1, 2112; and
- (13) 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. 661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 745 Health on H.B. No. 1550**

The purpose of this bill is to assist private hospitals in providing care to Medicaid and Medicare patients by exempting them from the general excise tax, if 60 percent or more of their patient population consists of Medicaid and Medicare patients. This bill also requires the hospital receiving the benefit to submit verification to the Department of Taxation (DOTAX) and requires DOTAX to adopt rules.

The Hawaii Medical Center, Community Work Day Program, and an individual testified in support of this bill. DOTAX and the Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1550 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 Takai.

**SCRep. 746 Health/Human Services & Housing on H.B. No. 962**

The purpose of this measure is to appropriate moneys for a grant to the St. Francis Healthcare Foundation to support the modified home care and community health demonstration project.

Your Committee finds that this measure will help promote education, detection, prevention, and medical management, and treatment to patients with chronic kidney disease, particularly those with end-stage renal disease living in remote areas of the State.

The Department of Health, National Kidney Foundation, St. Francis Healthcare System of Hawaii, Papa Ola Lokahi, and the Office of Hawaiian Affairs submitted testimony in support of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 962 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, Shimabukuro and Awana.

**SCRep. 747 Health/Human Services & Housing on H.B. No. 1469**

The purpose of this bill is to make an emergency appropriation to the Department of Health (DOH) the Developmental Disabilities Division to meet State approved target numbers under the current Medicaid Home and Community Based Services Waiver Program to reasonably admit individuals with developmental disabilities or mental retardation into the program to fulfill the obligations under the settlement agreement in HDRC v. State of Hawaii, United States District Court, Civil No. 03-00524 HG-KSC, and to comply with the United States Supreme Court's Olmstead decision and the requirements of Chapter 333F, Hawaii Revised Statutes.

The State Council on Developmental Disabilities supported this bill. DOH submitted comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1469 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, Shimabukuro and Awana.

**SCRep. 748 Health/Human Services & Housing on H.B. No. 1475**

The purpose of this bill is to improve the quality of life for people living in care homes by raising the monthly needs allowance (Allowance), which has been set at \$30 per month since 1988, to a more reasonable amount of \$50 per month, with annual increases equal to any annual percentage increase of the social security income benefit.

The Department of Human Services (DHS), State Council on Developmental Disabilities, Healthcare Association of Hawaii, National Association of Social Workers, Mental Health America of Hawaii, and several concerned individuals supported this bill. The Hawaii Coalition of Care Home Administrators opposed this measure.

Your Committees have amended this bill by:

- (1) Exempting the Allowance from gross income, adjusted gross income, and taxable income under Chapter 235, Hawaii Revised Statutes (HRS);
- (2) Providing an exemption of the Allowance from the general excise tax under Chapter 237, HRS;
- (3) Requiring DHS to provide the Legislature with annual reports on the Allowance; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1475, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1475, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Awana.

**SCRep. 749 Health/Human Services & Housing on H.B. No. 1597**

The purpose of this bill is to ensure that individuals receive proper care by requiring health care facilities and providers to notify the state-designated protection and advocacy system prior to transferring any individual with a developmental disability, mental illness, or other disability to an out-of-state treatment, rehabilitation, or long-term care facility.

The State Council on Developmental Disabilities, Hawaii Disability Rights Center, Center on Disability Studies, and a concerned individual testified in support of this bill. The Department of Health did not support this measure. The Queen's Medical Center provided comments.

Your Committees respectfully request the Attorney General and Hawaii Disability Rights Center to provide opinions on whether this measure may be in violation of the Health Insurance Portability and Accountability Act (HIPAA) and to provide suggested amendments to this measure to address those concerns.

Your Committees have amended this bill by:

- (1) Removing the provisions stating the right of individuals to receive long-term treatment under specified conditions;

- (2) Adding elderly individuals in need of basic medical care under the notification requirements for the state-designated protection and advocacy system; and
- (3) Exempting prisoners from the notification requirements;
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1597, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1597, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 750 Health/Human Services & Housing on H.B. No. 827**

The purpose of this bill is to appropriate funds to the counties as a grants-in-aid to financially assist caregiving programs that experienced federal funding cuts so they may continue to provide services to their clients and their clients' caregivers.

The City and County of Honolulu, Hawaii Aging Advocates Coalition, Child and Family Services, Policy Advisory Board for Elder Affairs, and Anuenue Hale, Inc. supported this bill.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 827 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 751 Human Services & Housing on H.B. No. 109**

The purpose of this bill is to effectuate its title.

H.B. No. 109 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 Human Services & Housing that is attached to this report, your Committee is in accord with the action to report out H.B. No. 109, as amended herein, and recommends that it be recommitted to the Committee on Human Services & Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 109, H.D. 1.

Signed by all members of the Committee.

**SCRep. 752 Human Services & Housing on H.B. No. 110**

The purpose of this bill is to effectuate its title.

H.B. No. 110 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 Human Services & Housing that is attached to this report, your Committee is in accord with the action to report out H.B. No. 110, as amended herein, and recommends that it be recommitted to the Committee on Human Services & Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 110, H.D. 1.

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

**SCRep. 753 Transportation on H.B. No. 1138**

The purpose of this bill is to clarify responsibilities for conducting fire inspections at state-owned airport facilities.

The Department of Transportation, State Fire Council, Honolulu Fire Department, and Kauai Fire Department testified in support of this bill.

Current law requires county fire departments to inspect all state-owned and county-owned buildings. All airports are also required to be inspected by the State. This has caused duplication in inspections at Hawaii's airports. Moreover, county fire departments have had difficulties accessing state airports due to stringent security requirements at these facilities. Your Committee finds that exempting county fire departments from conducting inspections at state airports will solve this problem.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1138 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 Luke and Meyer.

**SCRep. 754 Transportation on H.B. No. 1423**

The purpose of this bill is to improve traffic management by allowing the Director of Transportation (Director) to establish minimum occupancy requirements for high occupancy vehicle (HOV) lanes.

The Department of Transportation testified in support of this bill.

HOV lanes were initially established to encourage ridesharing among motorists, thereby reducing congestion on Hawaii's roadways. Hawaii law currently allows vehicles carrying two or more persons to use HOV lanes. This does not allow adjustments to be made to meet traffic demands and traffic volume. Your Committee finds that providing the Director with the flexibility to adjust the occupancy requirements of HOV lanes will improve traffic management of our roadways.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1423 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 Luke and Meyer.

**SCRep. 755                    Transportation on H.B. No. 1427**

The purpose of this bill is to conform state motor vehicle equipment specifications to federal and automobile manufacturers' specifications by:

- (1)            Changing the minimum headlamp height requirement from 24 inches to 22 inches; and
- (2)            Deleting the requirement that a license plate be attached to a vehicle at a point no lower than 12 inches above the ground.

The Department of Transportation (DOT) testified in support of this bill.

Currently, automobiles in Hawaii must comply with motor vehicle equipment specifications that require headlights to be mounted no lower than 24 inches above the road surface when measured to the headlight's center. However, Federal Motor Vehicle Safety Standard (FMVSS) 108 allows manufacturers to install headlights on a vehicle at a minimum height of 22 inches. Since these vehicles meet the requirements of FMVSS 108, they cannot be cited under Hawaii's law. Confusion occurs with vehicles manufactured with headlights higher than 24 inches that may be modified resulting in lowered headlights. These vehicles may fall into a gap group of vehicles since they would meet the Federal standard but not the state standard. Changing Hawaii's headlight requirements to conform to Federal standards would lessen this confusion.

Additionally, license plates on motor vehicles must be securely fastened to the vehicle in a position that is no less than 12 inches from the ground. Your Committee finds that this requirement should be eliminated since many vehicles, especially specialty vehicles and sports cars, have license plate mounts lower than 12 inches above the ground.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1427 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 Luke and Meyer.

**SCRep. 756                    Energy & Environmental Protection on H.B. No. 1376**

The purpose of this bill is to reduce bureaucracy by eliminating a provision that required transporters of petroleum-contaminated soil to obtain a solid waste permit.

The Department of Health testified in support of this bill.

Your Committee finds that permits to transport solid waste are no longer necessary due to significant improvements in the treatment and containment of solid waste.

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. 1376 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 Thielen.

**SCRep. 757                    Economic Development & Business Concerns on H.B. No. 310**

The purpose of this bill is to effectuate its title.

H.B. No. 310 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the action to report out H.B. No. 310, as amended herein, and recommends that it be recommitted to the Committee on Economic Development & Business Concerns, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 310, H.D. 1.

Signed by all members of the Committee except Representative Ching.

**SCRep. 758                    Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 718**

The purpose of this bill is to ensure the keiki of Hawaii have access to facilities to learn about, interact with, and enjoy our State's marine resources and ecosystem by requiring the Hawaii Community Development Authority to:

- (1)            Set aside the old ice chute and fuel dock operations building site and perimeter area at Kewalo basin cove for continued use by the Kewalo Keiki Fishing Conservancy; and
- (2)            Determine whether any environmental remediation is required at the site, and proceed with any necessary corrective action.

The Kewalo Keiki Fishing Conservancy, Hawaii Near Shore Fishermen, Partners in Development Foundation-Tutu and Me Traveling Preschool Program, and a large number of concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 718 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 Thielen.

**SCRep. 759                    Higher Education on H.B. No. 135**

The purpose of this bill is to improve the governance of the University of Hawaii (UH) pursuant to Article X, Section 6 of the State Constitution as amended and approved by voters in 2006 by, among other things:

- (1)            Modifying the process of appointing the members of the UH Board of Regents (BOR) by establishing a Candidate Advisory Council (Council) to determine the criteria for, screen, and recommend qualified candidates from which the Governor can choose;
- (2)            Changing the number of BOR members from 12 to 15;

- (3) Removing the prohibition that no more than six members of the BOR may be members of the same political party;
- (4) Specifying the geographic areas that must be represented by a certain number of BOR members;
- (5) Modifying the length of service of each BOR member from four-year terms to no more than two consecutive five-year terms;
- (6) Establishing that at least three months prior to the expiration of the member's first five-year term, the Senate must consider the question of whether to reconfirm the member's position on the BOR; and
- (7) Clarifying that every BOR member may serve beyond the expiration date of the member's term until the member's successor has been appointed and has been confirmed by the Senate.

A concerned individual testified in support of this bill. The Hawaii Government Employees Association supported this measure with amendments. The Department of the Attorney General, University of Hawaii, and Office of Information Practices offered comments.

Your Committee recognizes that the staggering of terms of the BOR members, as provided in this bill, may require further discussion to ensure the proper staffing of the BOR, especially in light of the fact that the terms of several current BOR members will be expiring this year.

Your Committee has amended this bill by:

- (1) Clarifying that the Council shall present to the Governor pools of qualified candidates from which the Governor shall appoint BOR members with the consent of the Senate;
- (2) Requiring, within 60 days of the first meeting of the Council, the presentation of pools of qualified candidates for BOR member seats vacated due to resignation, death, or removal by the Governor;
- (3) Requiring the presentation of pools of qualified candidates for subsequent vacancies within:
  - (A) 30 days of a vacancy due to resignation, death, or removal by the Governor; and
  - (B) 120 days prior to the expiration of a term;
- (4) Requiring larger pools of qualified candidates to be presented to the Governor when there are multiple seats vacant within the same county or within the at-large membership;
- (5) Requiring the public release of names of candidates presented by the Council to the Governor;
- (6) Requiring the head of each named organization, rather than the organization itself, to appoint the members of the Council;
- (7) Requiring certain appointees to be selected from the general public and permitting them to be members of the constituencies represented;
- (8) Deeming ineligible for the Council, individuals who are or have served as members of the executive councils or boards for the All Campus Council of Faculty Senate Chairs of the UH or Executive Council of the UH Student Caucus within the last five years preceding the vacancy;
- (9) Permitting sitting members of the Council to appoint interim members to the Council if a member has not been appointed within 180 days of the effective date of this Act;
- (10) Deeming the terms of initial members of the Council to begin on July 1, 2007, regardless of when they were actually appointed;
- (11) Requiring the Council to meet within 31 days of the effective date of this Act; provided that if all members have not yet been appointed within 30 days of the effective date of this Act, the Council shall meet as soon as a majority of them have been appointed;
- (12) Clarifying that a majority of all the members to which the Council is entitled shall constitute a quorum to do business;
- (13) Exempting Council meetings from only Part I of Chapter 92, Hawaii Revised Statutes, relating to meetings;
- (14) Increasing the representation of the City and County of Honolulu on the BOR from five members to seven members;
- (15) Authorizing a BOR member whose first term expires more than 120 days before the Senate goes into session, to continue serving until the Senate is able to consider reconfirmation;
- (16) Specifying that until the BOR has at least 14 members, seven members shall constitute a quorum and the concurrence of at least seven members is needed to validate any action of the BOR; provided that when the BOR has expanded to 14 members, a majority, or eight members, shall constitute a quorum, and the concurrence of a majority of all the members to which the BOR is entitled is needed to validate any action of the BOR;
- (17) Allowing BOR members whose terms are to expire on or before June 30, 2007, to continue serving until the earlier of June 30, 2008, or until new BOR members have been appointed pursuant to this Act;
- (18) Clarifying that the intent of this bill is to implement the constitutional amendment approved by voters in 2006, without repealing the existing authority and powers of the BOR; and
- (19) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 135, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 135, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Berg.

**SCRep. 760 Finance on H.B. No. 118**

The purpose of this bill is to authorize the issuance of general obligation bonds.

The Department of Budget and Finance testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 118 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 761 Finance on H.B. No. 513**

The purpose of this bill is to establish provisions for organizations that use grant or subsidy funds to acquire lands to repay the State upon discontinuation of the activities or services on the land acquired with the funds.

The Department of Budget and Finance testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 513 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 Carroll.

**SCRep. 762 Finance on H.B. No. 1207**

The purpose of this bill is to improve the procedures for dishonored payments made to the State from accounts which are insufficiently funded. This bill:

- (1) Standardizes the service charge amount and increases it to \$25 for all dishonored payments;
- (2) Provides the option of collecting the dishonored payment and service charge by a collection agency; and
- (3) Deletes the additional charge for interest on the penalty.

The Judiciary testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1207 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 Carroll.

**SCRep. 763 Finance on H.B. No. 1225**

The purpose of this bill is to repeal an unnecessary provision in the law that requires the Governor to sign the paychecks of the Comptroller and Deputy Comptroller.

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

Since the signature of the Comptroller or Deputy Comptroller appears on state paychecks, the purpose of the law repealed by this bill was to prevent an individual from altering the amount of his or her own paycheck when the check was being signed. However, since signatures are now laser printed on to paychecks, neither the Comptroller nor Deputy Comptroller is involved with the preparation of his or her own paychecks.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1225 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 Carroll.

**SCRep. 764 Finance on H.B. No. 1287**

The purpose of this bill is to enable the State to serve as the custodian rather than owner of unclaimed property in perpetuity, thereby allowing the rightful property owners to claim their property without time constraints. This bill repeals section 523A-3.5, Hawaii Revised Statutes, which requires that unclaimed property permanently escheat to the State after being held for a period of two to six years.

The Department of Budget and Finance testified in support of this bill. A concerned individual opposed this measure.

The State has never implemented the provisions repealed by this bill, because they conflict with the State's Unclaimed Property Program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1287 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 Carroll.

**SCRep. 765 Finance on H.B. No. 122**

The purpose of this bill is to require full disclosure of all entities and organizations receiving state funds by requiring the Department of Budget and Finance (B&F) to create a website containing such information.

B&F opposed this bill.

Your Committee has amended this bill by:

- (1) Applying the online disclosure to state "awards" rather than "funding";
- (2) Adding an appropriation for the establishment of the website; 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. 122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 122, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll.

**SCRep. 766 Finance on H.B. No. 259**

The purpose of this bill is to enable county boards, in counties with a population of 500,000 or more, to issue revenue bonds if authorized by the county charter.

The Honolulu Board of Water Supply testified in support of this bill. The Chair of the Honolulu City Council opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 259, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 767 Finance on H.B. No. 421**

The purpose of this bill is to allow the counties to invest moneys in certain commercial paper and bankers' acceptances.

The Mayor of the County of Maui, a member of the Maui County Council, County of Maui Department of Finance, County of Hawaii Finance Department, City and County of Honolulu Department of Budget and Fiscal Services, and County of Kauai Department of Finance 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. 421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 421, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 768 Finance on H.B. No. 1411**

The purpose of this bill is to effectuate its title.

H.B. No. 1411 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. 1411, 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. 1411, H.D. 1.

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

**SCRep. 769 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1104**

The purpose of this bill is to preserve and protect the Kohala Historic Sites State Monument (Monument) by requiring:

- (1) The Department of Land and Natural Resources to consult with the kahana nui of the Mo'okini Heiau prior to making alterations or improvements to the Monument, except for routine maintenance; and
- (2) Any entity to consult with the kahana nui of the Mo'okini Heiau prior to any additional organized profit-making ventures involving the Monument, including the Mo'okini Heiau.

The Department of Land and Natural Resources and Mo'okini Luakini, Inc., testified in support of this bill. The Office of Hawaiian Affairs supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1104, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 770 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 416**

The purpose of this bill is to expedite needed safety and customer service improvements at Hawaii's airports by exempting structures and improvements to land used for airport purposes from:

- (1) County agencies' special management area permitting requirements; and
- (2) The approval of county agencies.

The Airlines Committee of Hawaii and United Airlines testified in support of this bill. A member of the Kauai County Council, the Sierra Club-Hawaii Chapter, and a concerned individual opposed this measure. The Department of Transportation submitted comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 416 and recommends that it pass Third Reading.

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

**SCRep. 771 Human Services & Housing on H.B. No. 111**

The purpose of this bill is to effectuate its title.

H.B. No. 111 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 Human Services & Housing that is attached to this report, your Committee is in accord with the action to report out H.B. No. 111, as amended herein, and recommends that it be recommitted to the Committee on Human Services & Housing, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 111, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 772                    Judiciary on H.B. No. 1157**

The purpose of this bill is to delete an obsolete reference in the law pertaining to the offense of promoting a dangerous drug in the second degree.

The Department of the Prosecuting Attorney and Honolulu Police Department testified in support of this bill. A concerned individual 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 H.B. No. 1157 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 773                    Judiciary on H.B. No. 1158**

The purpose of this bill is to amend sentencing provisions under Hawaii's arson law by:

- (1) Clarifying that special sentencing provisions for arson shall also be applicable to persons convicted of arson resulting in damage to more than 10,000 square feet of property; and
- (2) Allowing recklessness to be used as a state of mind requirement for arson in the fourth degree.

The Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this bill. The Office of the Public Defender testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1158 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 774                    Judiciary on H.B. No. 660**

The purpose of this bill is to continue to promote ethics in government by expanding the jurisdiction of the circuit courts to include impeachment proceedings against county officers.

The Ethics Commission of the City and County of Honolulu, Kauai County Board of Ethics, and Hawaii County Board of Ethics 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. 660 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 775                    Tourism & Culture on H.B. No. 345**

The purpose of this bill is to promote peace programs and increase educational awareness of peace and peace initiatives by establishing "Peace Day" on September 21 of each year.

The Honpa Hongwanji Mission of Hawaii, Wahiawa Lions Club, Domestic Violence Clearinghouse and Legal Hotline, and numerous concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 345 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 Hanohano, Wakai and Ching.

**SCRep. 776                    Human Services & Housing on H.B. No. 1264**

The purpose of this bill is to authorize the Hawaii Housing Finance and Development Corporation (HHFDC) to waive its shared appreciation equity and ten year buyback restriction requirements for sustainable affordable leasehold projects.

HHFDC and Hawaii Reserves, Inc., testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1264 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 Belatti, Bertram, Cabanilla and Takai.

**SCRep. 777                    Finance on H.B. No. 1563**

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5); and
- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (5) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1563 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. 778 Finance on H.B. No. 1564**

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10); and
- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (10) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1564 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. 779 Finance on H.B. No. 1566**

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representatives of collective bargaining units (2),(3),(4),(6),(8),(9), and (13); and
- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii Government Employees Association (HGEA) and HGEA Managerial and Confidential Employees Chapter testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representatives for units (2),(3),(4),(6),(8),(9), and (13) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1566 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. 780 Finance on H.B. No. 1567**

The purpose of this bill is to fund salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees of agencies excluded from collective bargaining including the State Ethics Commission, Office of the Auditor, Office of the Legislative Reference Bureau, and Office of the Ombudsman.

The Office of the Ombudsman, Office of the Auditor, Legislative Reference Bureau, Hawaii State Ethics Commission, and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these cost items, including salary increases and other cost adjustments, should continue to advance in the Legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1567 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. 781 Finance on H.B. No. 1568**

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5); and
- (2) The salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii State Teachers Association testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, including salary increases and other cost adjustments, should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (5) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568 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. 782 Finance on H.B. No. 1569**

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10); and
- (2) The salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, including salary increases and other cost adjustments, should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (10) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1569 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. 783 Finance on H.B. No. 1570**

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items, including contributions to the Hawaii Employer-Union Health Benefits Trust Fund, in the agreement negotiated with the exclusive bargaining representatives of collective bargaining unit (11); and
- (2) The salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii Fire Fighters Association and HGEA Managerial and Confidential Employees Chapter testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, including salary increases and other cost adjustments, should continue to advance in the Legislature.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1570 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. 784 Finance on H.B. No. 1572**

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1); and
- (2) The salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Judiciary and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, including salary increases and other cost adjustments, should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (1) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1572 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. 785 Finance on H.B. No. 1573**

The purpose of this bill is to fund:

- (1) All collective bargaining salary increases and cost items in the agreement negotiated with the exclusive bargaining representatives of collective bargaining units (2),(3),(4),(6),(8),(9), and (13); and
- (2) The salary increases and other cost adjustments authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining.

The Hawaii Government Employees Association (HGEA) and HGEA Managerial and Confidential Employees Chapter testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, including salary increases and other cost adjustments, should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representatives for units (2),(3),(4),(6),(8),(9), and (13) will eventually produce a settlement.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1573 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. 786 Consumer Protection & Commerce/Judiciary on H.B. No. 1336**

The purpose of this bill is to protect elderly consumers by providing for additional sanctions for violations by mortgage brokers and solicitors committed against elders.

The Department of Commerce and Consumer Affairs testified in support of this bill. The AARP Hawaii supported the intent of this measure.

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. 1336 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 Pine and Thielen.

**SCRep. 787 Consumer Protection & Commerce/Judiciary on H.B. No. 1612**

The purpose of this bill is to provide protection against identity theft by allowing any consumer to place a security freeze on the consumer's credit report, so that the consumer does not have to wait until they can establish that their identity has been stolen before requesting the freeze.

The Department of Commerce and Consumer Affairs, Kuliouou/Kalani Iki Neighborhood Board #2, AARP Hawaii, and a concerned individual testified in support of this bill. A concerned individual supported this measure with amendments. The Consumers Union, Consumer Data Industry Association, and Retail Merchants of Hawaii offered comments.

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. 1612 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 Pine and Thielen.

**SCRep. 788 Public Safety & Military Affairs on H.B. No. 613**

The purpose of this bill is to equitably reflect in the membership of the Policy Advisory Board on Veterans' Services (Board) the changing regional demographic of veterans in the state, particularly the increase of veterans residing in west Hawaii. Specifically, this bill:

- (1) Increases the membership of the Board from seven to nine members;
- (2) Requires that of the members:
  - (A) At least one member each shall reside in the County of Maui, County of Kauai, east Hawaii and west Hawaii; and
  - (B) Four members shall reside in the City and County of Honolulu; and
- (3) Designates the Director for the Office of Veterans' Services (Director) as an ex-officio voting member of the Board.

The Director and the Board supported this bill.

Under current law, the Board consists of seven members. Furthermore, each of the four counties is represented by at least one member who resides in that county.

Your Committee finds that, to properly reflect the demographic changes among veterans in Hawaii, with an unprecedented increase of veterans moving to west Hawaii, and to ensure proper representation for all veterans in an equal manner, it is necessary to require that west Hawaii receive representation separate from that of east Hawaii.

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. 613 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 Luke, Souki, Takumi and Finnegan.

**SCRep. 789 Finance on H.B. No. 1034**

The purpose of this bill is to improve the timely flow of information that is a valuable tool in analyzing the effectiveness of changes made to the State's tax laws by requiring the Department of Taxation (DOT) to publish and submit to the Legislature prior to the convening of each applicable regular session:

- (1) An annual report on Hawaii income patterns of individuals;
- (2) A biennial report on Hawaii income patterns of corporations, proprietorships, and partnerships; and
- (3) An annual report on tax credits.

DOT and the Tax Foundation of Hawaii submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1034 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 Hanohano, Meyer and Ward.

**SCRep. 790 Tourism & Culture/International Affairs on H.B. No. 1103**

The purpose of this bill is to celebrate Hawaii's diverse cultural heritage by officially designating the one week period following the day of the Chinese New Year as the "Asian Lunar New Year Week of Commemoration in Hawaii."

The Department of Business, Economic Development, and Tourism, and numerous concerned individuals supported this bill.

Your Committees encourage organizations involved in celebrating the Chinese New Year to coordinate their activities with existing Chinese organizations, including the Chinese Chamber of Commerce of Hawaii.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1103 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 Berg, Bertram, Green, Hanohano, Takai, Ching and Ward.

**SCRep. 791 Judiciary on H.B. No. 1153**

The purpose of this bill is to discourage the illegal use of chemicals used to manufacture controlled substances by providing that the following are subject to seizure and forfeiture:

- (1) All aircraft, vehicles, vessels, or other conveyances used to transport or facilitate the transport of these chemicals; and
- (2)
  - (a) All moneys, securities, and other things of value given in exchange for these chemicals;
  - (b) All proceeds traceable to such an exchange; and
  - (c) All moneys, negotiable instruments, and securities,

which are used or intended to be used to facilitate: the unlawful manufacture of any controlled substance, or the furnishing of any of these chemicals with the knowledge or intent that the recipient of any such chemicals will use them to unlawfully manufacture any controlled substance.

The Department of Public Safety, Department of the Prosecuting Attorney of the City and County of Honolulu, and Honolulu Police Department supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1153 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 792 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1919**

The purpose of this bill is to promote smart growth principles in land use decision-making by:

- (1) Requiring the Land Use Commission (Commission) to consider impacts on existing infrastructure in reclassification applications; and
- (2) Prohibiting the Commission from approving district boundary amendments for certain residential or commercial developments in the Lahaina and Ewa districts unless the proposed reclassification is planned in accordance with smart growth principles.

A concerned individual supported this bill. The Hawaii Association of REALTORS supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu and the Land Use Research Foundation of Hawaii opposed this bill. D.R. Horton, Schuler Divison submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the reference to the Lahaina and Ewa districts;
- (2) Changing its effective date to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1919, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 793 Judiciary on H.B. No. 516**

The purpose of this bill is to place on lifetime parole, upon release from prison, repeat sexual offenders who have been convicted on two prior and separate occasions for certain offenses. This measure also allows these offenders to challenge the applicability of lifetime parole.

The Hawaii Paroling Authority supported the intent of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2112, 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. 516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 516, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 794 Judiciary on H.B. No. 303**

The purpose of this bill is to deter mail theft by including in the offense of "Theft in the Second Degree", the theft of three or more items of mail belonging to three or more unrelated individuals in the same or separate incident as part of a common scheme or plan.

The Maui County Department of the Prosecuting Attorney supported this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by changing the effective date to January 30, 2112, 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. 303, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 303, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 795      Judiciary on H.B. No. 987**

The purpose of this bill is to clarify the type of acts, for which a police officer is being prosecuted or sued, that entitles the police officer to be represented by legal counsel provided by the county. This bill defines "acts done in the performance of the officer's duty as a police officer" to include, among other things, "any action while in a duty status or while the police officer is on duty."

The State of Hawaii Organization of Police Officers testified in support of this bill. The Department of the Corporation Counsel of the City and County of Honolulu and the Office of the Corporation Counsel of the County of Hawaii opposed this measure.

This bill has been amended by:

- (1) Specifying that the actions performed by the police officer must be in the course and scope of official duties;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 796      Judiciary on H.B. No. 1130**

The purpose of this bill is to improve our election system by:

- (1) Revising various election campaign reporting deadlines;
- (2) Amending definitions of "contribution" and "expenditure";
- (3) Increasing amounts that may be spent per voter for state and county elections in a publicly-funded campaign;
- (4) Adding the office of the prosecuting attorney as an election subject to spending limitation per voter in publicly-funded campaigns; and
- (5) Increasing the maximum amount of public funding available to elections for state senator, state representative, county council member, and prosecuting attorney.

The Campaign Spending Commission (Commission) submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Requiring noncandidate committees to register with the Commission by filing an organizational report;
- (2) Removing the specific dollar amount for the expenditure limit for the offices of state senator, state representative, county council member, and prosecuting attorney;
- (3) Removing the specific dollar amount for the limit on the maximum amount of public funding available for the offices of state senator, state representative, county council member, and prosecuting attorney;
- (4) Changing the effective date to January 1, 2112, to facilitate further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committee appreciates the Commission's proposals for amendments to this bill, including those to raise limits and amounts on expenditures and public funding, and your Committee considered raising them even further to make partial public funding more attractive to a greater number of candidates. Your Committee is still working with the Commission to determine what levels, for both expenditure limits and available funds, could be realistically used without overly straining the Election Campaign Fund.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1130, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 797      Judiciary on H.B. No. 1131**

The purpose of this bill is to provide additional time between the primary and general elections for the State to fulfill its legal requirements by changing the date of the primary election from the second to the last Saturday in September to the second Saturday in August.

The Office of Elections, Office of the County Clerk of the County of Maui, Office of the City Clerk of the City and County of Honolulu, and The League of Women Voters of Hawaii testified in support of this bill. The Campaign Spending Commission offered comments.

Your Committee finds that additional time is needed to address the following:

- (1) The Federal Voting Assistance Program recommends 45 days in transit time for overseas absentee mail ballots. In some years, there have been only 45 days between Hawaii's primary and general elections, leaving no time to produce the general election ballots or to subsequently receive them;
- (2) The 45-day period is even more compressed because State law allows for a six-day period following the primary election to contest the election. Additional unspecified time is needed to await a decision by the Hawaii Supreme Court; and
- (3) Precinct officials, control center personnel, and others need more time to train for the general election.

Your Committee has amended this bill by:

- (1) Requiring candidate and noncandidate committees to file an additional preliminary report with the Campaign Spending Commission on September 30<sup>th</sup> of the year of the primary election;
- (2) Requiring candidate committees to file their first preliminary report on July 5<sup>th</sup> instead of July 30<sup>th</sup>; and
- (3) Changing the effective date to January 1, 2050, 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. 1131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1131, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 798                    Judiciary on H.B. No. 1132**

The purpose of this bill is to improve polling place operations on election day by:

- (1) Requiring all poll watchers to be appointed not later than forty-five days prior to any election; and
- (2) Requiring all poll watchers to attend training and be certified prior to serving as poll watchers on election day.

The State Office of Elections and Office of the County Clerk of the County of Maui supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1132, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 799                    Judiciary on H.B. No. 583**

The purpose of this bill is to extend the statute of limitations for prosecution of felony sexual assault or child abuse offenses committed when the victim was under 18 years of age.

Your Committee received testimony in support of the measure from the Department of the Attorney General, Department of the Prosecuting Attorney for the City and County of Honolulu, Honolulu Police Department, and several private individuals. The Office of the Public Defender opposed this measure.

Your Committee finds that this measure attempts to address a current difficulty in prosecuting sexual assault of minors. However, there may be some confusion with respect to existing provisions in the law relating to the bill's subject matter.

Accordingly, your Committee has amended this bill by:

- (1) Repealing the existing provision declaring that the statute of limitations does not run for any felony sexual assault or child abuse offense during any time when the victim is alive and under 18 years of age, to avoid confusion;
- (2) Changing its effective date to January 1, 2112; 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. 583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 583, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 800                    Judiciary on H.B. No. 910**

The purpose of this bill is to treat the governing boards of state departments the same as the heads of state departments under the state ethics code by making the financial disclosure statements of the members of the Board of Regents of the University of Hawaii, the Board of Land and Natural Resources, the Board of Agriculture, and the Hawaiian Homes Commission public records and available for inspection and duplication.

The Hawaii State Ethics Commission and the League of Women Voters of Hawaii testified in support of this bill. A concerned individual supported this measure with amendments.

Your Committee has amended this bill by changing the effective date to January 1, 2112, 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. 910, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 910, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 801                    Judiciary on H.B. No. 975**

The purpose of this bill is to increase the transparency of the lobbying process by lowering from \$200 to \$100 the threshold of the dollar value of gifts that legislators, state employees, and their spouses and dependent children must report to the State Ethics Commission.

The Hawaii State Ethics Commission and the League of Women Voters of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, 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. 975, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 975, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 802 Judiciary on H.B. No. 1149**

The purpose of this bill is to increase the penalties for possession, in the presence of a child, of precursor chemicals for manufacturing a controlled substance.

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

Your committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, to facilitate 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1149, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1149, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey, Souki and Pine.

**SCRep. 803 Judiciary on H.B. No. 1512**

The purpose of this bill is to clarify the application of the sunshine law to neighborhood board meetings by:

- (1) Setting forth requirements for public input and decisionmaking on matters that are considered by a neighborhood board that are not noticed in the agenda;
- (2) Providing that a quorum is required to conduct official board business, discussion and voting required to validate an act of the board as part of official board business, or decisionmaking, but not to receive information;
- (3) Allowing two or more neighborhood board members, but less than a quorum, to attend informational meetings or presentations on matters relating to board business;
- (4) Requiring neighborhood board members to report attendance to and matters discussed relating to official board business at informational meetings and presentations they take part in; and
- (5) Allowing neighborhood boards to take action on unanticipated events in the public interest concerning public health, safety, or welfare that arise between the time the public notice is issued and the scheduled meeting.

The Hawaii State Teachers Association, Mililani Mauka/Launani Valley Neighborhood Board No. 35, Aliamanu/Salt Lake/Foster Village Neighborhood Board No. 18, Kuli'ou'ou/Kalani Iki Neighborhood Board No. 2, Mililani/Waipio/Melemanu Neighborhood Board #25, Liliha/Puunui/Alewa/Kamehameha Heights Neighborhood Board No. 14, the Chair of the Downtown Neighborhood Board No. 13, and several concerned individuals testified in support of this bill. The Office of Information Practices and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the law allowing public input at neighborhood board meetings on matters not specifically noticed for consideration on the public notice apply to neighborhood boards overseen by the neighborhood commission of the City and County of Honolulu;
- (2) Allowing neighborhood boards to conduct decisionmaking on a matter originally raised as part of a public input agenda at any later meeting, as long as the agenda gives notice of decisionmaking on the matter, instead of requiring the matter to be continued to a reasonable day and time;
- (3) Including testimony as another type of input the neighborhood boards may receive on a matter of official board business without a quorum;
- (4) Changing the effective date to January 1, 2112, 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. 1512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1512, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 804 Judiciary on H.B. No. 1836**

The purpose of this bill is to continue to keep Hawaii free from gambling by clarifying that gambling includes the purchase of a sweepstakes entry that also provides a nominal, non-gambling value even if the sweepstakes entry can be obtained without payment of consideration.

The League of Women Voters of Hawaii, Hawaii Coalition Against Legalized Gambling, the Honolulu Police Department, the Hawaii Family Forum, the Catholic Diocese of Honolulu, and an individual testified in support of this bill.

Your Committee amended this bill by:

- (1) Changing its effective date to July 1, 2112, 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. 1836, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1836, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 805                    Judiciary on H.B. No. 128**

The purpose of this bill is to improve the State's sunshine law by permitting:

- (1) Two or more members of a board, but fewer than the number of members that would constitute a quorum for the board, to discuss their individual positions relating to official board business at a meeting of another board or a public hearing of the Legislature; and
- (2) Two or more members of a board, but fewer than the number of members that would constitute a quorum for the board, to attend presentations that involve matters relating to official board business, as long as the presentation is not specifically and exclusively organized for, or directed towards, the members of the board; and
- (3) Board members attending a presentation to participate in the discussions, including among themselves; provided that no commitment to vote on official board business is made or sought.

The Office of Information Practices, a member of the Maui County Council, Kuliouou/Kalani Iki Neighborhood Board No. 2, Liliha/Puunui/Alewa/Kamehameha Heights Neighborhood Board No. 14, Mililani/Waipio/Melemanu Neighborhood Board No. 25, Mililani Mauka/Launani Valley Neighborhood Board No. 35, Hawaii State Teachers Association, and several concerned individuals supported this bill. The League of Women Voters of Hawaii supported this bill with amendments. Several concerned individuals supported the intent of this measure. Several concerned individuals submitted comments.

Your Committee finds that certain provisions in H.B. No. 1394 and H.B. No. 849, as well as other clarifying amendments, will further strengthen and clarify the sunshine law.

Accordingly, your Committee has amended this measure by:

- (1) Establishing that discussions between two or more members of a board, but less than the number of members that would constitute a quorum for the board, concerning the assignment of members to the board's committees may be conducted in private;
- (2) Requiring, except for informational presentations, a quorum for discussion prior and related to voting, and for voting required to validate an act of the board as part of official board business;
- (3) Changing its effective date to January 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 128, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 806                    Judiciary on H.B. No. 909**

The purpose of this bill is to expand the Code of Ethics to prohibit state employees from taking action directly affecting a business or undertaking in which a sibling, parent, or emancipated child has a substantial financial interest.

The Hawaii State Ethics Commission testified in support of this bill. The League of Women Voters of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying the meaning of "financial interest" as it applies to a sibling, parent, or emancipated child;
- (2) Changing the effective date to January 1, 2112, 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. 909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 909, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 807                    Judiciary on H.B. No. 1108**

The purpose of this bill is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

Your Committee finds the reasons for the respective technical amendments made in the bill are as follows:

**Section 1.** The amendment made by L 2006, c 45, §2 to section 6E-11(a), HRS, inadvertently omitted the existing phrase "controlled by the State or any of its political subdivisions," in the second sentence. Section 6E-11, HRS, should be amended to ratify the revisor's reinstatement of the omitted language, which is indicated by brackets.

**Section 2.** Section 36-27, HRS, was amended by Acts 75, 305, and 316 in 2006. The amendment made by L 2006, c 316, §4 inadvertently omitted the ending of the section, without which the section lacked substance. Section 36-27, HRS, should be amended by deleting the brackets around the referenced text at the ending of the section to ratify the revisor's insertion of the language.

In addition, section 36-27(16), HRS, refers to section 231-3.2, HRS, regarding the integrated tax information management systems special fund. Section 231-3.2, HRS, is being repealed as functus in section 21 of this bill. To conform to this repeal, section 36-27, HRS, should be amended to delete the reference to the integrated tax information management systems special fund.

Lastly, section 36-27(23), HRS, refers to the center for nursing special fund under "section [304A-2163]". Act 75 amended section 36-27(23), HRS, by changing the section number pertaining to the center for nursing special fund to the section number in the new chapter (304A) created by the Act. The revisor renumbered some of the sections of the new chapter and, accordingly, changed the section number in section 36-27(23), HRS, to make the proper reference. Section 36-27, HRS, should be amended by deleting the brackets around "section [304A-2163]" to ratify the revisor's insertion of the correct section number.

**Section 3.** Section 36-30(a), HRS, was amended by Acts 75, 305, and 316 in 2006. The amendment made by L 2006, c 316, §5 inadvertently omitted the ending of the section, without which the section lacked substance. Section 36-30(a), HRS, should be amended by deleting the brackets around the referenced text at the end of the section to ratify the revisor's insertion of the language.

In addition, section 36-30(a)(15), HRS, refers to section 231-3.2, HRS, regarding the integrated tax information management systems special fund. Section 231-3.2, HRS, is being repealed as functus in section 21 of this bill. To conform to this repeal, section 36-30(a), HRS, should be amended to delete the reference to the integrated tax information management systems special fund.

Lastly, section 36-30(a)(20), HRS, refers to the center for nursing special fund under "section [304A-2163]". Act 75 amended section 36-30(a)(20), HRS, by changing the section number pertaining to the center for nursing special fund to the section number in the new chapter (304A) created by the Act. The revisor renumbered some of the sections of the new chapter and, accordingly, changed the section number in section 36-30(a)(20), HRS, to make the proper reference. Section 36-30, HRS, should be amended by deleting the brackets around "section [304A-2163]" to ratify the revisor's insertion of the correct section number.

**Section 4.** Section 27-42, HRS, relating to the governor's special advisory council for technology development, is repealed as functus in section 20 of this bill.

To conform to this repeal, section 84-17(c), HRS, should be amended to delete the council reference.

**Section 5.** L 2006, c 183, amended chapter 132D, HRS, by, among other things, changing the term "special fireworks" to "display fireworks". Act 183 amended section 132D-16, HRS, to reflect the change to "display fireworks", but inadvertently retained the term "special fireworks" in the last paragraph of subsection (c).

Section 132D-16(c), HRS, should be amended by deleting the brackets around the word "display" to ratify the revisor's substitution of the word "display" for "special".

**Section 6.** L 2006, c 27, §1(2) amended section 134-2(e), HRS, by changing the reference to the "United States Department of the Treasury" to the "United States Department of Justice". Section 134-2(a), HRS, should also be amended to refer to the "United States Department of Justice". The Attorney General's justification sheet for Act 27 (SB 2263) notes that "the federal department with authority over firearms is no longer the Department of the Treasury, it is the Department of Justice".

In addition, in the last sentence of section 134-2(e), HRS, because the phrase "the applicant is not a citizen of the United States" appears twice, the latter phrase should be deleted as redundant.

**Section 7.** L 2006, c 27, §1(2) amended section 134-2(e), HRS, by changing the reference to the "United States Department of the Treasury" to the "United States Department of Justice". Subsections (c) and (d) of section 134-3, HRS, should also be amended to refer to the "United States Department of Justice". The Attorney General's justification sheet for Act 27 (SB 2263) notes that "the federal department with authority over firearms is no longer the Department of the Treasury, it is the Department of Justice".

**Section 8.** L 2006, c 27, §3 amended section 134-9(a), HRS, to require the county police chiefs to "perform an inquiry on an applicant [for a license to carry a firearm] by using the National Instant Criminal Background Check System, to include a check of the Immigration and Customs Enforcement databases, where the applicant is not a citizen of the United States, before any determination to grant a license is made." Senate Standing Committee Report No. 2410 stated that "an inquiry on the National Instant Criminal Background Check System [was intended to apply] to all the various licenses issued by county police chiefs". However, the language "to include a check of the Immigration and Customs Enforcement databases, where the applicant is not a citizen of the United States," may be read as requiring the check only for noncitizens.

Section 134-9(a), HRS, should be amended to delete the comma after "databases" to clarify that the inquiry applies to all applicants, citizens and noncitizens.

**Section 9.** L 2006, c 174, §1 created section 183-5, HRS, which provides for general administrative penalties for violations of chapter 183, HRS. Act 174, §5, amended section 195F-4(a)(2)(F), HRS, by providing that moneys in the forest stewardship fund collected from the "imposition of fines or penalties for violations of this chapter and chapters 185 and 195F or any rule adopted thereunder" shall be used for various enumerated activities. As a result of the amendment, section 195F-4(a)(2)(F), HRS, refers to chapter 195F twice ("this chapter" and "195F") but fails to refer to moneys from penalties collected under chapter 183, HRS (forest reserves, water development, zoning), including the general administrative penalties under section 183-5, HRS. Act 174, §4 amended section 183-16, HRS, to provide that moneys collected from fines or penalties for violations of chapter 183, 185, and 195F, HRS, are deposited in the forest stewardship fund.

In addition, Act 174 reformatted section 195F-4(a)(2), HRS, causing confusion as to whether clauses (i) to (iii) apply only to subparagraph (F) or to the entire paragraph (2).

Section 195F-4(a), HRS, should be amended to add a reference to the deposit of moneys from fines and penalties under chapter 183, HRS, delete the extra reference to chapter 195F, HRS, and reformat paragraph (2) to clarify that subclauses (i) to (iii) apply to the entire paragraph (2).

**Section 10.** L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008.

Section 211G-13(e), HRS, contains references to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

**Section 11.** L 2006, c 110, §3 amended section 235-51(b), HRS, by more specifically deleting the December 31, 1998 and December 31, 2000 head of household tax income schedule and adding a new tax income schedule for taxable years beginning after December 31, 2006. In the process of doing so, a change occurred in the tax schedule for taxable years beginning after December 31, 2001. The specific part affected is for the following consecutive income ranges, "over \$12,000 but not over \$18,000", and "over \$21,600 but not over \$24,000", leaving a gap in the taxable income range for amounts in between those income ranges. It is noted that the "over \$21,600" amount

appeared without the usual Ramseyer convention and formerly read "over \$18,000". The "over \$21,600" amount should be restored back to "over \$18,000" to close the obvious gap in the income tax levels for the set period beginning after December 31, 2001 through December 31, 2006.

In addition, L 2006, c 110, §3 amended section 235-51(b), HRS, by providing that for taxable years beginning after December 31, 2006, if the taxable income is over \$28,800 but not over \$36,000, the tax shall be \$1,512.00 plus 7.20% of excess over \$28,000. The beginning dollar amount upon which to assess the 7.20% should be "\$28,800".

Section 235-51(b), HRS, should be amended to reflect the correct dollar amounts.

**Section 12.** L 1990, c 184 authorized the counties to establish a general excise and use tax surcharge through, among other things, the enactment of sections 46-16.7, 235-16, 237-8.5, 238-2.5, and 248-2.5, HRS. The authorization for the surcharge was granted only if the counties adopted an ordinance before October 1, 1992, to take effect on January 1, 1993, and remain in effect for ten years through December 31, 2002. Since the counties were not successful in adopting an ordinance to establish the surcharge, sections 235-16, 237-8.5, 238-2.5, and 248-2.5, HRS, were subsequently repealed as functus by L 2003, c 135, and section 46-16.7, HRS, was repealed as functus by L 2006, c 38.

Section 235-110.7, HRS, as amended by L 1990, c 184, §§7, 8, and L 1992, c 235, §6, still contains language relating to this now-repealed surcharge authorization.

To conform, section 235-110.7, HRS, should be amended to delete, as functus, the language related to the authorization to establish the surcharge for the period from January 1, 1993, through December 31, 2002.

**Section 13.** L 2006, c 258, §2 enacted section 367D-8, HRS. The first sentence of section 367D-8, HRS, provides "The department of public safety and the office of youth services shall submit an annual report to the legislature no later than twenty days before the convening of each regular session...". The last sentence provides "The first report shall be submitted no later than twenty days before the convening of the regular session of 2006." Act 258 became effective on July 1, 2006. Therefore, the first report could not have been submitted "twenty days before the convening of the regular session of 2006."

The last sentence of section 367D-8, HRS, relating to submission of the first report before the convening of the regular session of 2006 should be deleted as functus.

**Section 14.** L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 412:3-201(b)(6)(H) and (I), HRS, contains references to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

**Section 15.** L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 412:3-202, HRS, contains references to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

**Section 16.** L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 412:3-206, HRS, contains a reference to chapter 485 and should be amended to refer to chapter 485A, effective July 1, 2008.

**Section 17.** L 2006, c 229, enacted chapter 485A, the Uniform Securities Act, to replace the Uniform Securities Act (Modified), chapter 485, effective July 1, 2008. Section 417E-1, HRS, in the definition of "broker-dealer", provides that "broker-dealer" means a "dealer" as defined in section 485-1." The new chapter 485A, HRS, contains the definition of "broker-dealer" in section 485A-102, HRS. Section 417E-1, HRS, should be amended to conform the reference to the definition of "broker-dealer" in section 485A-102, HRS, effective July 1, 2008.

**Section 18.** L 2006, c 182, §1 enacted section 706-606.2, HRS. The sentence following paragraph (b) begins "With regard to any fire or monetary penalty that may be imposed...". The revisor substituted the word "fine" for "fire" to correct this obvious error.

Section 706-606.2, HRS, should be amended by deleting the brackets around "fine" to ratify the revisor's substitution. In addition, section 706-606.2, HRS, should be amended by adding subsection designations to conform to the style of the Hawaii Penal Code.

**Section 19.** L 2006, c 230, §29, amended section 707-711(1), HRS, by, among other things, amending paragraph (e) to provide that "For the purposes of this paragraph, "educational worker" means: any administrator, specialist, counselor, teacher, or employee of the department of education; a person who is a volunteer in a school program, activity, or function that is established, sanctioned, or approved by the department of education; or a person hired by the department of education on a contractual basis and engaged in carrying out an educational function."

L 2006, c 298, §16, also amended section 707-711(1)(e), HRS, by adding "an employee of a charter school" to the definition of "educational worker". In order to blend the amendments to the definition of "educational worker" made by Acts 230 and 298, the revisor added the word "or" between the phrases "employee of the department of education" and "an employee of a charter school".

Section 707-711(1)(e), HRS, should be amended by deleting the brackets around the word "or" to ratify the revisor's insertion of "or".

**Section 20.** Section 27-42(g), HRS, states "This section is repealed on December 31, 2005". Section 27-42, HRS, has not been amended to delete or extend this repeal and by operation of law, is repealed.

Section 27-42, HRS, should be formally repealed.

**Section 21.** L 1999, c 155, §1, enacted section 231-3.2, HRS, relating to the integrated tax information management systems special fund. Section 231-3.2(d), HRS, stated that the section "shall be repealed on July 1, 2004". L 2004, c 115, §1, extended the repeal date to July 1, 2005.

L 1999, c 155, L 2004, c 115, and section 231-3.2, HRS, were not amended to extend the July 1, 2005 repeal date. Thus, section 231-3.2, HRS, is repealed by operation of law, and is functus. Section 231-3.2, HRS, should thus be formally repealed.

**Section 22.** L 1999, c 178, §9 enacted section 231-8.6, HRS, entitled the "Hawaii Internet Tax Freedom Act". Section 231-8.6(d), HRS, provides "[t]his section shall not apply to taxable years beginning after December 31, 2005".

L 1999, c 178 and section 231-8.6, HRS, were not amended to change the December 31, 2005 applicability date. Section 231-8.6, HRS, is functus and should be formally repealed.

**Section 23.** L 2000, c 195, §1 enacted section 235-110.4, HRS, relating to the hotel construction and remodeling tax credit. Section 235-110.4(e), HRS, provides "[t]he tax credit allowed under this section shall be available for taxable years beginning after December 31, 1998, and shall not be available for taxable years beginning after December 31, 2002". L 2001, Third Special Session, c 10, §(2)(3) extended the tax credit availability to December 31, 2005.

L 2000, c 195, L 2001, Third Special Session, c 10, and section 235-110.4, HRS, were not amended to extend the tax credit beyond December 31, 2005. Section 235-110.4, HRS, is functus and should be formally repealed.

**Section 24.** L 2001, Third Special Session, c 10, §1 enacted section 235-110.45, HRS, relating to the residential construction and remodeling tax credit. Section 235-110.45(e), HRS, provides "[t]he tax credit allowed under this section shall be available for taxable years beginning after December 31, 2000, and shall not be available for taxable years beginning after December 31, 2003". L 2002, c 174, §2 amended section 235-110.45, HRS, but did not amend section 235-110.45(e), HRS.

L 2001, Third Special Session, c 10, L 2002, c 174, and section 235-110.45, HRS, were not amended to extend the tax credit beyond December 31, 2003. Section 235-110.45, HRS, is functus and should be formally repealed.

**Section 25.** L 2001, c 293, §2 enacted section 235-110.92, HRS, relating to an income tax credit for the construction, repair, or reconstruction of drought mitigating water storage facilities. Section 235-110.92(e), HRS, provides "[t]he credit allowed under this section shall be available for taxable years beginning after December 31, 2000, and shall not be available for taxable years beginning after December 31, 2005".

L 2001, c 293, §2, and section 235-110.92, HRS, were not amended to extend the tax credit beyond December 31, 2005. Section 235-110.92, HRS, is functus and should be formally repealed.

**Section 26.** L 2001, c 221, §3 enacted section 237-29.65, HRS, which provided a general excise tax exemption for public Internet data centers. Section 237-29.65(c), HRS, provides "[t]his section shall apply to gross income or gross proceeds received after June 30, 2001, but not after December 31, 2005".

L 2001, c 221, §3, and section 237-29.65, HRS, were not amended to extend this general excise tax exemption beyond December 31, 2005. Section 237-29.65, HRS, is functus and should be formally repealed.

**Section 27.** L 2001, c 221, §3 enacted section 237-29.75, HRS, which provided a general excise tax exemption for the sale of a net operating loss by a qualified high technology business. The last sentence of section 237-29.75, HRS, provides "[t]his section shall be repealed on December 31, 2005".

L 2001, c 221, §3, and section 237-29.75, HRS, were not amended to extend this general excise tax exemption beyond December 31, 2005. Section 237-29.75, HRS, is functus and should be formally repealed.

**Section 28.** L 2001, c 221, §4 enacted section 239-13, HRS, which provided a public service company tax exemption for public Internet data centers. Section 239-13(c), HRS, provides "[t]his section shall apply to gross income received after June 30, 2001, but not after December 31, 2005".

L 2001, c 221, §4, and section 239-13, HRS, were not amended to extend the exemption beyond December 31, 2005. Section 239-13, HRS, is functus and should be formally repealed.

**Section 29.** The prefatory language of L 2006, c 184, §3 states that "Section 414-64, Hawaii Revised Statutes, is amended by amending subsections (b) and (d) to read as follows". However, subsections (b) and (c) of section 414-64, HRS, were the subsections amended.

The prefatory language of L 2006, c 184, §3 should be amended to state that "subsections (b) and (c)" of section 414-64, HRS, were amended.

Your Committee has amended section 32, the effective date section of this bill, to correctly reflect that sections 10, 14, 15, 16, and 17 of this bill should take effect on July 1, 2008, rather than January 1, 2008. The amendments to those sections replace the reference to chapter 485 with chapter 485A, the new Uniform Securities Act, which takes effect on July 1, 2008, pursuant to Act 229, Session Laws of Hawaii 2006.

As affirmed by the record of votes of 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. 1108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1108, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 808 Judiciary on H.B. No. 380**

The purpose of this bill is to increase civil participation in government by:

- (1) Immunizing from liability any act by a person in furtherance of the person's constitutional right to petition;
- (2) Amending the definition of Strategic Lawsuit Against Public Participation (SLAPP) to include language regarding immunized acts; and
- (3) Allowing the court to use supporting or opposing affidavits in the disposition of a SLAPP case based on the pleadings.

The League of Women Voters of Hawaii, Hawaii's Thousand Friends, and a few concerned individuals testified in support of this bill. The Department of the Attorney General opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the provisions for immunization from liability of any act by a person in furtherance of the constitutional right to petition;
- (2) Deleting the provisions allowing the court to decide on a motion to dispose of a claim based on the pleadings and affidavits filed;
- (3) Clarifying the definition of SLAPP;
- (4) Changing the effective date to January 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 380, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 809 Finance on H.B. No. 1565**

The purpose of this bill is to fund the Hawaii Employer-Union Health Benefits Trust Fund costs:

- (1) In the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1); and



- (2) Authorized by Chapter 89C, Hawaii Revised Statutes, for state officers and employees in the executive branch who are excluded from collective bargaining.

The Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill. The Office of Collective Bargaining supported the intent of this measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (1) will eventually produce a settlement.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1565, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 810 Finance on H.B. No. 1785**

The purpose of this bill is to provide funds to the City and County of Honolulu to purchase additional ambulances and defibrillators.

The Honolulu Emergency Services Department and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount from \$1,600,000 to an unspecified sum; 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. 1785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1785, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 811 Finance on H.B. No. 1786**

The purpose of this bill is to help student welfare recipients gain employment, earnings, job skills, and employer references by appropriating \$60,000 each year for two years for the coordination and administration of the Bridge to Hope Program at the University of Hawaii (UH).

The National Association of Social Workers – Hawaii Chapter, the Program Coordinator for UH Bridge to Hope Program, the Director of the UH Manoa Women's Center, and several concerned individuals supported this bill. UH supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Removing the specified appropriation;
- (2) Changing the effective date to July 1, 2020, promote 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. 1786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1786, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 812 Finance on H.B. No. 1412**

The purpose of this bill is to assist the Department of Taxation (DOTAX) in the collection of tax revenues for the State by, among other things:

- (1) Allowing DOTAX to enter into performance-based contracts to enhance or acquire automated tax systems; and
- (2) Establishing an integrated tax information management systems special fund to pay for:
  - (A) The performance-based contracts for the integrated tax information management systems; and
  - (B) The administrative and operational expenses related to revenue-generating initiatives of the new or enhanced system.

DOTAX testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

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. 1412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1412, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 813 Human Services & Housing on H.B. No. 1188**

The purpose of this bill is to increase the affordability of housing sponsored by the Hawaii Housing Finance and Development Corporation (HHFDC) by requiring ten percent of the total number of units in projects consisting of 50 or more units to be priced at 20 percent below the median home price for the relevant geographical areas as determined by rules adopted by HHFDC.

The Office of Hawaiian Affairs supported this bill with amendments. HHFDC opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring units to be priced at least 40 percent, instead of 20 percent, below the median home price for the relevant geographical area; and
- (2) Defining the relevant geographical area as the county in which the project is located.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1188, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 814 Consumer Protection & Commerce/Judiciary on H.B. No. 1337**

The purpose of this bill is to provide additional protections for consumers of cemetery or funeral services. This bill establishes procedures for the cancellation, termination, and refund of pre-need funeral and pre-need interment services contracts by:

- (1) Allowing a purchaser to cancel these services by written notification;
- (2) Requiring a cemetery or pre-need funeral authority to provide a written notice prior to terminating a contract due to default;
- (3) Allowing a purchaser to reinstate a contract that is in default; and
- (4) Entitling a purchaser to a refund upon cancellation or termination of the contract.

This bill, among other things, also:

- (1) Requires the disclosure of specific information to a purchaser in a contract written in clear and plain language;
- (2) Increases the fine from \$1,000 to \$5,000 for violations by cemetery or pre-need funeral authorities; and
- (3) Requires the maintenance of accurate records of the identity of each person whose remains are located in a cemetery, as well as the location of each plot, crypt, or niche.

The Department of Commerce and Consumer Affairs, Mililani Group, Inc., and a concerned individual testified in support of this bill. Funeral Consumers Alliance Hawaii supported the bill with amendments. The Hawaii Funeral Directors Association and Hawaiian Memorial Life Plan, Ltd., supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2020, to encourage continued discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1337, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1337, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 815 Judiciary on H.B. No. 330**

The purpose of this bill is to make a third and subsequent conviction for prostitution and loitering to engage in or advance prostitution a class C felony. This measure also enhances the penalties for loitering to engage in or advance prostitution by conforming them to the penalties for prostitution.

The Honolulu Police Department, Building Owners and Managers Association-Hawaii, Inc., Downtown Neighborhood Board No. 13, and several concerned individuals 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) Changing the effective date to January 1, 2112, 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. 330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 330, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 816 Judiciary on H.B. No. 451**

The purpose of the bill is to address the growing problem of graffiti in Hawaii's communities by:

- (1) Classifying graffiti as an act of criminal property damage;
- (2) Imposing mandatory fines for first-time offenders; and

- (3) Imposing mandatory jail time for repeat offenders.

The Office of the Public Defender testified in opposition to this bill.

After careful consideration, your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Establishes the Graffiti Eradication Sentencing Program within the Judiciary (Program) that, among other things:
- (A) Prescribes a course of action that a graffiti offender must undertake to discharge a community service sentence;
  - (B) Coordinates the implementation, scheduling, and monitoring of graffiti eradication activities for graffiti offenders who have been sentenced to community service; and
  - (C) Documents the completion of graffiti eradication activities for each graffiti offender participating in the program;
- (2) Requires individuals found in violation of any grade of offense for criminal property damage involving graffiti to perform community service that helps eradicate or mitigate graffiti;
- (3) Allows the courts to determine the hours of community service based upon an estimate of the time required to eradicate or mitigate the graffiti inflicted by the offender;
- (4) Allows the courts to delegate the estimate of the hours of community service required to eradicate or mitigate the graffiti inflicted by an offender to the Program;
- (5) Requires the performance of community service under this alternative sentencing by the Program to be performed pursuant to the requirements of the Program; and
- (6) Eliminates the five-year, look-back period for the crime of aggravated graffiti.

Your Committee has also amended this measure by changing its effective date to January 1, 2112, 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. 451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 817 Judiciary on H.B. No. 1159**

The purpose of this bill is to address an appellate court decision concerning driving without a license (DWOL) that, by requiring the State to prove that the defendant did not possess an out-of-state license, would make it extremely difficult for the State to prove the charge. This bill addresses the decision by requiring the defendant to establish these facts as an affirmative defense.

The Department of the Prosecuting Attorney of the City and County of Honolulu, and the Division of Motor Vehicle Licensing and Permits for the City and County of Honolulu testified in support of this bill. A concerned individual opposed the bill. The Judiciary and Office of the Public Defender submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1159, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 818 Judiciary on H.B. No. 1246**

The purpose of the bill is to deter the theft of copper by:

- (1) Establishing theft of copper as a felony offense; and
- (2) Imposing additional requirements for, and establishing additional penalties for violations relating to, the sale of copper to scrap dealers.

The Department of the Attorney General, Honolulu Police Department, Department of the Prosecuting Attorney for the City and County of Honolulu, and the Kuliouou/Kalani Iki Neighborhood Board #2 testified in support of this bill. Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Hawaiian Telcom supported the intent of this measure. The Office of the Public Defender, Schnitzer Steel Hawaii Corp., and Okuda Metal, Inc., opposed this bill.

Your Committee has amended this measure by:

- (1) Deleting the provisions imposing additional requirements for, and establishing additional penalties for violations relating to, the sale of copper to scrap dealers;
- (2) Changing the effective date to January 1, 2112, 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. 1246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1246, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 819            Judiciary on H.B. No. 1253**

The purpose of this bill is to allow individuals, corporations, and government entities to offer apologies or other expressions of sympathy without fear of such gestures being used against them to establish liability.

The Department of the Attorney General and several attorneys of Stam O'Toole Marcus & Fisher testified in support of this bill. The Judiciary supported the intent of this measure. The Consumer Lawyers of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Confining the bill to civil actions against healthcare providers, and benevolent gestures made to the patient or patient's family;
- (2) More specifically describing the benevolent gestures that are not admissible as evidence;
- (3) Changing the effective date to January 1, 2112, 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. 1253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1253, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 820            Judiciary on H.B. No. 304**

The purpose of this bill is to ensure that persons appointed to fill vacancies in Hawaii's House of Representatives, Senate, and United States Senate seats appropriately represent their constituents, by requiring these appointees to be:

- (1) Selected from a list of three candidates submitted by the prior incumbent's political party; and
- (2) Registered members of that political party, and have been members for at least six months immediately prior to the time of appointment.

The Oahu County Committee of the Democrat Party of Hawaii, Hawaii Chapter of Americans for Democratic Action, League of Women Voters, and a concerned individual supported this bill.

Your Committee has amended this bill by, among other things:

- (1) Requiring prospective appointees to be residents of the same electoral district as the prior incumbent;
- (2) Removing the term "registered" from the requirement that the appointee be a member of the same political party as the prior incumbent; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 304, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 821            Judiciary on H.B. No. 747**

The purpose of this bill is to allow active practicing dentists to claim an exemption from jury service.

The Hawaii Dental Association and several concerned dentists testified in support of this bill. The Judiciary and League of Women Voters of Hawaii opposed this measure.

Your Committee has amended this bill by changing the effective date to January 1, 2112, 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. 747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 747, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives McKelvey, Yamashita, Marumoto and Thielen. (Representative Evans voted no.)

**SCRep. 822            Judiciary on H.B. No. 1210**

The purpose of the bill is to improve laws relating to jurors by:

- (1) Updating and revising definitions;
- (2) Repealing obsolete provisions; and
- (3) Providing greater flexibility to courts to determine the most effective procedures for qualifying, selecting, summoning, managing, and compensating prospective jurors.

The Judiciary supported this bill. The Office of the Public Defender opposed this measure in part.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2112, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1210, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 823                    Judiciary on H.B. No. 1234**

The purpose of this bill is to adopt a uniform standard, based on the Federal Rules of Evidence, for ensuring the admissibility of reliable, trustworthy, and relevant lay and expert testimony in a judicial proceeding.

The Department of the Attorney General, Watanabe Ing & Komeiji, LLP, and several attorneys of Starn O'Toole Marcus & Fisher testified in support of this bill. The Judiciary, Office of the Public Defender, Consumer Lawyers of Hawaii, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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. 1234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1234, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 824                    Judiciary on H.B. No. 1773**

The purpose of this bill is to increase the integrity of the elections process by:

- (1) Giving the Election Commission the duties of investigating absentee voting violations and requesting the Attorney General or county prosecuting attorney to prosecute those violations; and
- (2) Requiring absentee voters to affirm that they were not within 200 feet of a telephone or campaign material, or any candidate or members of the candidate's family or staff, and were alone when voting.

The Office of Elections supported the intent of this bill. League of Women Voters of Hawaii commented on this bill.

Your Committee deleted the section in this bill imposing restrictions on persons who vote by absentee ballot, as impractical and unenforceable. It is difficult for your Committee to imagine someone voting at home who is not within 200 feet of a telephone. Your Committee also finds that it is impractical to require that absentee voters be "alone when voting." This bill was also amended by changing the effective date to July 1, 2112, 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. 1773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1773, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 825                    Judiciary on H.B. No. 676**

The purpose of this bill is to protect pet animals and deter animal abuse by, among other things:

- (1) Establishing the felony offense of aggravated cruelty to pet animals; and
- (2) Requiring the court to order a person convicted of violating animal cruelty laws to attend counseling, at the person's expense, for the evaluation and treatment of behavior or conduct disorders.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Humane Society, Humane Society of the United States, Kauai Humane Society, Maui Humane Society, and a concerned individual supported this bill. The Office of the Public Defender and several concerned individuals opposed this bill. The Judiciary and Hawaii Pest Control Association submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provisions establishing the felony offense of aggravated cruelty to pet animals;
- (2) Expanding and clarifying the offense of cruelty to animals by:
  - (A) Reinserting the intentional and knowing states of mind into the offense of cruelty to animals;
  - (B) Including, in the offense of cruelty to animals, causing or allowing serious bodily injury to any animal other than insects, vermin, or other pests;
  - (C) Deleting the provision specifying that transporting an animal in the back of a pick-up truck without appropriate restraint is an action that constitutes cruelty to animals;
  - (D) Establishing that a person commits cruelty to animals if the person:
    - (i) Forces another person to kill or injure a pet animal, except for accepted veterinary practices; or
    - (ii) Recklessly kills or injures a pet animal with the intent to frighten or intimidate another person, or in reckless disregard of the risk of frightening or intimidating another person;

and

- (E) Clarifying that certain actions that constitute the offense shall not apply to certain pest control operations conducted by a licensed pest control operator pursuant to a written contract;
- (3) Clarifying that the requirement to attend counseling includes persons who commit the acts described under items (2)(D)(i) and (ii) above, and for a person who deprives a pet animal of necessary sustenance;
- (4) Repealing the existing definition of "pet animal" under Chapter 711, Hawaii Revised Statutes (HRS), and defining "pet animal" to mean a domesticated animal kept for personal enjoyment and companionship, legal sporting activities, guarding property, and for guide, signal, or service purposes; provided that poultry, and game fish and other aquatic life in captivity shall not be considered pet animals;
- (5) Repealing the existing definition of "poultry" under Chapter 163, HRS, and defining "poultry" to mean any domesticated bird belonging to the orders galiformes and anseriformes, and including chicken, duck, goose, and turkey;
- (6) Changing its effective date to January 1, 2112, to encourage further discussion; and
- (7) 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. 676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 676, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 826 Consumer Protection & Commerce on H.B. No. 272**

The purpose of this bill is to make Hawaii more competitive as a captive domicile by:

- (1) Allowing Hawaii captive insurance companies to be formed as limited liability companies (LLCs) and clarifying that LLCs may be parents or owners of Hawaii captive insurance companies;
- (2) Clarifying how statutorily-prescribed minimum capital and surplus requirements for captive insurance companies may be invested; and
- (3) Providing greater investment flexibility for pure captive insurance companies while giving the Insurance Commissioner (Commissioner) discretion to prohibit, limit, or require divestiture of an investment that threatens the solvency or liquidity of the company.

Arthur J. Gallagher Captive Services (Hawaii), Willis Management (Hawaii), Marsh Management Services Inc., Aon Insurance Managers (USA), Inc., and several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) supported the intent of this measure.

DCCA expressed concerns over this bill and suggested further amendments with regard to investments to ensure compliance with regulatory principles adopted by the National Association of Insurance Commissioners and International Association of Insurance Supervisors. DCCA also suggested amendments to enhance the ability of captive insurance companies to organize and operate as LLCs.

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

- (1) Amending the definition of "affiliated entity" in the captive insurance law to clarify that the risks insured by a pure captive insurance company are directly or indirectly controlled in some manner by the company's parent or an affiliate of the parent;
- (2) Removing the requirement that the Commissioner establish a list of advisors and appoint an advisor from the list to review a specific application, and allowing the Commissioner to use independent advisors and consultants to assist in the review and analysis of a specific application or business plan amendment;
- (3) Consolidating minimum capital and surplus requirements into a single section and requiring that:
  - (A) The Commissioner take into account the nature and volume of business transacted and any other factors deemed appropriate by the Commissioner;
  - (B) Class 3 risk retention captive insurance companies be subject to additional capital and surplus requirements; and
  - (C) Minimum requirements follow the existing schedule per class, except that for class 3 association captive insurance companies and risk retention captive insurance companies minimums would both be set at \$500,000, instead of \$750,000 for class 3 association captive insurance companies;
- (4) Allowing amounts in excess of minimum capital and surplus requirements to be invested in accordance with a strategic investment policy approved by the Commissioner;
- (5) Clarifying captive formation requirements;
- (6) Deleting the requirement that reciprocal insurers have no fewer than three incorporators of which two must be Hawaii residents;
- (7) Deleting the requirement that at least one of the members of the board of directors of a captive insurance company must be a Hawaii resident;
- (8) Setting forth the procedures by which a nonprofit corporation or LLC must approve a plan of conversion or merger;
- (9) Revising the framework for the regulation of investments of captive insurance companies to provide greater flexibility to captive insurance companies; and
- (10) Making other technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee finds that as the second largest captive insurance domicile in the United States, Hawaii faces increasing competition from other states that have recognized the value of implementing captive insurance enabling regulations. The changes proposed in this measure would ensure that Hawaii remains a viable and competitive captive domicile.

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. 272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 272, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 827 Consumer Protection & Commerce on H.B. No. 1627**

The purpose of this bill is to make necessary technical and conforming amendments related to Hawaii's recodified condominium law, Chapter 514B, Hawaii Revised Statutes (HRS), including:

- (1) Reinserting in the real estate licensing law, a reference to Chapter 514A, HRS, the original condominium law that is still in effect, to allow disciplinary action to be taken against a real estate licensee for violation of that chapter;
- (2) Clarifying what is to be included in the condominium developer's public report and how the report must be delivered to a purchaser;
- (3) Correcting a drafting error that inadvertently left out the fidelity bond requirement for condominium association registration; and
- (4) Clarifying the transitional option for the registration and sale of a condominium for projects initially established under Chapter 514A, HRS, but that are transitioning to Chapter 514B, HRS.

The Community Associations Institute – Hawaii Chapter supported this bill. The Real Estate Commission supported this measure with recommended amendments.

Your Committee finds that several parts of Chapter 514A, HRS, were inadvertently repealed within the three legislative Acts recodifying the condominium law. This measure has been amended to reinsert those parts in Chapter 514A, HRS, retroactive to July 1, 2006. This bill has also been amended as discussed and agreed to by the interested parties by allowing the developer of a project registered under Chapter 514A, HRS, an election to register the project under Chapter 514B, HRS.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 828 Consumer Protection & Commerce on H.B. No. 91**

The purpose of this bill is to allow the Board of Public Accountancy (Board) to ensure the highest quality of the state's licensed certified public accountants by providing them with the flexibility to do so by:

- (1) Removing private or governmental accounting experience as meeting the required professional experience for a license in public accountancy;
- (2) Ensuring that qualifying work experience for licensure eligibility is in public accounting; and
- (3) Removing the public accountant examination requirement that an applicant hold a baccalaureate degree in accounting.

Numerous concerned individuals supported this bill. The Board, Office of the Auditor, Department of Taxation, Hawaii Society of Certified Public Accountants, and numerous concerned individuals opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date by June 30, 2010, to provide a transition period for current applicants to acquire their licenses under the existing law; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 91, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 91, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen  
(Representatives Evans, Luke, Morita, Sonson and Marumoto voted no.)

**SCRep. 829 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 419**

The purpose of this bill is to promote and sustain recreational and educational land uses by:

- (1) Allowing the Board of Land and Natural Resources to acquire private property adjacent to public land through gifting or exchange; and
- (2) Exempting the acquired lands from the requirements of conservation district, land use, coastal zone management, and county zoning and subdivision laws, if the acquired land is dedicated to recreational and educational uses in conjunction with adjoining public lands.

The Royal Order of Kamehameha Ekahi, Moku o Kona Chapter, supported this bill. The Department of Land and Natural Resources and the Department of Business, Economic Development, and Tourism supported the intent of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 419, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 419, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 830 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 257**

The purpose of this bill is to protect agricultural land by among other things:

- (1) Restricting use of agricultural land to agribusiness or subsistence farming in the county zoning and subdivision proceedings;
- (2) Clarifying that single-family dwellings in agricultural subdivisions without agribusiness, agricultural activity, or subsistence farming, and guest cottages are prohibited in agricultural districts;
- (3) Discontinuing the use of land study bureau soil classifications to categorize uses in agricultural districts;
- (4) Allowing agricultural lands to be subdivided and leased for permitted uses; provided that the principal use is for agricultural activities or agribusiness;
- (5) Increasing minimum lot sizes in agricultural districts from one acre to three acres; and
- (6) Requiring county special permits for rural district lands greater than 15 acres and agricultural lands to be subject to the approval of the Land Use Commission.

The Sierra Club-Hawaii Chapter, Maui County Farm Bureau, and a concerned individual testified in support of this bill. The Office of Planning and Hawaii Farm Bureau Federation supported the intent of this measure. The Department of Agriculture supported this bill with amendments. The Hawaii County Planning Department and the Hawaii Association of REALTORS opposed this measure. The Department of Planning and Permitting of the City & County of Honolulu, Land Use Research Foundation of Hawaii, and the Environmental Center at the University of Hawaii at Manoa provided comments.

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

- (1) Requiring that deed restrictions or covenants restricting lots in approved county subdivisions that are to be used solely for agribusiness or subsistence farming to be recorded with the Bureau of Conveyances or Land Court and run with the land;
- (2) Requiring applicants for building permits for the construction of a farm dwelling to have substantially established agricultural activity on the lot;
- (3) Limiting the definition of "agribusiness" to "a business licensed for the production and sale of products from the cultivation of crops, propagation of fish or game, or raising of livestock";
- (4) Limiting the definition of "agricultural activity" to "activities involved in the cultivation of crops, propagation of fish or game, or raising of livestock";
- (5) Including condominium property regimes to the definition of "subdivisions";
- (6) Limiting the definition of "subsistence farming" to "agricultural activity or agricultural practices that produce food or products primarily for consumption by the family working the land, and where the family is dependent on this activity to meet a significant portion of the family's nutritional needs. De minimis agriculture shall not be evidence of subsistence farming";
- (7) Extending the prohibition on the use of agricultural district lands for golf courses and golf driving ranges to golf-related facilities, private membership facilities, or other resort facilities, including hotels and resort-related commercial uses, time shares, and commercial vacation homes;
- (8) Clarifying that single-family dwellings that are prohibited in agricultural district subdivisions include those where there is little agribusiness, agricultural activity, or subsistence farming;
- (9) Clarifying that land in agricultural districts shall be used solely in pursuit of an agricultural activity, agribusiness, or subsistence farming;
- (10) Clarifying that the prohibition on subdividing land in agricultural districts for the development and sale of residential homes is a condition that applies to all agricultural subdivisions;
- (11) Requiring that county ordinances for procedures and requirements for agricultural tourism in agricultural districts be adopted within 18 months of the effective date of this bill;
- (12) Further increasing the minimum lot sizes in agricultural districts to five acres; and
- (13) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 257, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 257, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai, Ching, Meyer and Thielen.

**SCRep. 831 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 1901**

The purpose of this bill is to improve the use of agricultural lands and important agricultural lands (IALs) by:

- (1) Requiring the counties to establish permissible uses and infrastructure changes for rural and urban districts;
- (2) Establishing permissible uses on IALs;
- (3) Allowing experimental and demonstration housing projects on rural lands;
- (4) Expanding the permissible uses in the rural district to allow uses currently permitted in the agricultural district in the rural district;
- (5) Requiring the Land Use Commission (LUC) to reclassify lands under the new classifications for agricultural and rural lands by January 2009; and
- (6) Providing incentives for landowners who voluntarily undertake IAL designations.



The Maui County Farm Bureau, Kamehameha Schools, and a concerned individual testified in support of this bill. The Department of Agriculture, Office of Planning (OP), and Hawaii Farm Bureau Federation supported the intent of this measure. The Sierra Club-Hawaii Chapter opposed this bill. The Department of Planning and Permitting of the City & County of Honolulu and the Environmental Center of the University of Hawaii at Manoa provided comments.

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

- (1) Broadening the requirement that the counties adopt ordinances for permissible uses in urban and rural lands to setting standards for levels of county services in urban, rural, and agricultural lands, subject to the district standards in Chapter 205, Hawaii Revised Statutes (HRS);
- (2) Establishing an administrative process to allow the LUC, counties, and OP to reclassify the regional district boundary amendments of certain lands to rural;
- (3) Providing that to qualify for the incentive for landowners who voluntarily undertake IAL designations:
  - (a) The area of land must be not more than 10 percent of the area of land designated as an IAL; and
  - (b) The land designated as an IAL must be for a period of not less than 50 years;
- (4) Adding certain agricultural worker housing as a permissible use on IALs;
- (5) Providing more detailed requirements of farm dwellings that are permitted on IALs;
- (6) Providing that IALs must be subdivided pursuant to certain use and subdivision requirements in addition to the requirements in section 205-4.5, HRS;
- (7) Removing the requirement that the LUC reclassify lands under new classifications by January 2009;
- (8) Including as criteria for classification as rural land:
  - (a) Areas suited to other uses requiring limited physical infrastructure development and services, including low density residential uses, outdoor recreational uses, and passive open space uses; and
  - (b) Compact, small mixed use rural towns and service centers;
- (9) Including as permissible uses in rural districts:
  - (a) Small mixed use retail and commercial facilities; and
  - (b) Low density residential uses, including cluster housing developments;
- (10) Requiring the LUC to consider community and county development plans when establishing district boundaries; and
- (11) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1901, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1901, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai, Ching, Meyer and Thielen.

**SCRep. 832 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 1922**

The purpose of this bill is to expedite the designation of important agricultural lands (IALs) by the Land Use Commission (LUC) by, among other things:

- (1) Repealing the existing petition for declaratory ruling process for landowners or farmers who wish to designate their lands as IALs and establishing a revised landowner petition process for IAL designation;
- (2) Exempting the landowner petition process from the stipulation that legislation establishing incentives and protections for IALs be enacted for the designation to take effect;
- (3) Repealing the county process for identifying and mapping IALs; and
- (4) Requiring the LUC to, in consultation with certain other private and public entities, identify and designate lands as IALs.

In addition, this bill removes the county planning commission from the special permit approval process and restricts IALs to a list of specified permissible uses.

Kamehameha Schools supported this bill. The Department of Planning and Permitting of the City and County of Honolulu, Hawaii County Planning Department, and a concerned individual opposed this bill. The Department of Agriculture (DOA), LUC, Land Use Research Foundation of Hawaii, and Hawaii Farm Bureau Federation submitted comments.

Your Committees have amended this bill by, among other things:

- (1) Restoring the county planning commission in the special permit approval process;
- (2) Establishing specific procedures for the LUC in reviewing, and making decisions on, landowner petitions for IAL designation;
- (3) Clarifying that the raising of poultry, bees, fish, or other animal or aquatic life propagated for commercial or subsistence farming purposes is a permitted use for IALs;
- (4) Conditioning the use of biofuels processing facilities as a permitted use for IALs by providing that the majority of the feedstock is grown within the state as determined by DOA and after an initial and non-renewable three-year period commencing upon final approval to operate such facilities to allow the importation of feedstock and fuels;

- (5) Including agricultural worker housing, under certain conditions, as a permitted use on IALs;
- (6) Establishing restrictions on farm dwellings related to farming and animal husbandry that are included in the list of permitted uses for IALs;
- (7) Clarifying that subdivision of land designated as IALs shall conform to the restrictions provided for under the permitted uses for IALs and under section 205-4.5, Hawaii Revised Statutes (HRS);
- (8) Prohibiting counties from adopting standards to allow the construction of two single-family dwelling units on any lot where a residential dwelling unit is permitted on lands designated as IALs; provided that any additional dwelling units allowed on rural or agricultural land use districts shall be counted toward the maximum number of dwellings allowed per gross area under the underlying county zoning or respective state land use district, whichever is less, unless otherwise permitted under county ordinance that preserves the remainder lands for agriculture or open space;
- (9) Revising the list of permissible uses within agricultural districts under section 205-4.5, HRS, by:
  - (A) Making the permissible uses applicable to all lands within the agricultural district, instead of only lands with soil classified as overall (master) productivity rating class A or B (Class A or B Soil);
  - (B) Clarifying that the raising of livestock includes animal or aquatic life propagated for agribusiness or subsistence farming purposes;
  - (C) Specifying that farm dwellings means a single family dwelling located on and used in connection with agricultural activities, agribusiness, or subsistence farming;
  - (D) Excluding single-family dwellings in subdivided developments where there is little or no agricultural activity, agribusiness, or subsistence farming established, and guest cottages, from the definition of "farm dwelling";
  - (E) Including retention, restoration, rehabilitation, or improvement of buildings or sites of cultural interest;
  - (F) Repealing the exemption of special permit uses from the prohibition on uses not expressly permitted under subsection 205-4.5(a), HRS; and
  - (G) Clarifying that no subdivision of agricultural land, including lands with soil not classified as Class A or B Soil, shall be approved by a county unless the lands within the subdivision are made subject to:
    - (i) The condition that uses shall be solely in pursuit of an agribusiness or subsistence farming, in addition to agricultural activities; and
    - (ii) The condition that the land shall not be subdivided and used for development where the primary purpose of the development is the sale or development of residential homes;
- (10) Limiting special permit uses for the IALs designated through the landowner petitioning process to the list of specified permitted uses for IALs; and
- (11) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1922, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1922, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai, Ching, Meyer and Thielen.

**SCRep. 833 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1037**

The purpose of this bill is to:

- (1) Preserve the shoreline and public shoreline access; and
- (2) Protect the public from coastal hazards,

by requiring the counties to adopt rules extending shoreline setbacks to not less than 150 feet and not more than 200 feet inland from the shoreline.

The Sierra Club-Hawaii Chapter and Hawaii Audubon Society testified in support of this bill. The Department of Land and Natural Resources and Hawaiian Telcom supported the intent of this measure. The Department of Planning and Permitting of the City & County of Honolulu, Land Use Research Foundation of Hawaii, Kuilima Resort Company, and a concerned individual opposed this bill. The Office of Planning provided comments.

Upon careful consideration, your Committee has amended this measure by deleting its substance and inserting the substance of House Bill No. 1391, which requires certain state and county agencies to account for sea-level rise and minimize risks from coastal hazards such as erosion, storm inundation, hurricanes, and tsunamis, by making changes to the provisions concerning shoreline setbacks and public access in the Coastal Zone Management Program (Program). Specifically, as amended, this bill:

- (1) Gives each county the authority to establish shoreline setback lines at a distance not less than the average annual erosion rate based on a fifty-year projection, in addition to the minimum distance established in section 205A-43, Hawaii Revised Statutes;
- (2) Makes other various changes to the Program to mitigate coastal hazards and preserve public access to shorelines; and
- (3) Increases the threshold value to waive a public hearing for a variance application for structures at risk of immediate damage from shoreline erosion, from \$20,000 to \$50,000; and

This bill was further amended by requiring the counties to ensure reasonable street parking near public access areas by the coastal shoreline.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1037, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 834 Consumer Protection & Commerce on H.B. No. 158**

The purpose of this bill is to provide motor carriers greater flexibility in performing required safety inspections by repealing the requirement that the annual safety inspection for a motor carrier vehicle be completed during the month in which the vehicle's registration is issued.

The Department of Transportation, City and County of Honolulu, Hawaii Transportation Association, Alexander & Baldwin, Inc., and Matson Navigation Company testified in support of this bill.

Your Committee finds that companies using motor carrier vehicles have experienced logistical problems in meeting the current law requiring annual safety inspections to be conducted in the same month as the registration renewal for the vehicle. In some instances, these vehicles may be out-of-state or in the possession of customers when the vehicle's registration is due, necessitating additional costs when these vehicles must be transported back to the company for a safety inspection. This bill addresses this issue by requiring safety inspections to be completed once every twelve months, without regard to when the vehicle's registration is issued.

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. 158 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Herkes, Sonson, Tsuji, Yamashita and Thielen.

**SCRep. 835 Consumer Protection & Commerce on H.B. No. 318**

The purpose of this bill is to improve government efficiency by establishing an administrative rules review pilot program requiring the Department of Commerce and Consumer Affairs (DCCA) to:

- (1) Determine which of its administrative rules should be repealed, amended, or replaced because they are obsolete, cumbersome, unnecessary, or overly restrictive; and
- (2) Consider the feasibility of repealing any rule older than three years old.

DCCA submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 318 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Herkes, Sonson, Tsuji, Yamashita and Thielen.

**SCRep. 836 Tourism & Culture on H.B. No. 349**

The purpose of this bill is to protect the health and safety of bicyclists and motorists by authorizing the counties to adopt and enforce ordinances regulating commercial bicycle tours operating on state and county highways.

The Department of Transportation, CKM Cultural Resources, LLC, Kula Community Association Sub-Committee on Commercial Bicycle Tours, and a concerned individual supported this bill. Maui Mountain Cruisers and Cruiser Phil's Volcano Riders opposed this measure. The Maui Police Department submitted comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 349 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Wakai and Ching.

**SCRep. 837 Judiciary on H.B. No. 964**

The purpose of this bill is to facilitate employment-related drug testing by:

- (1) Including, in the definition of "substance abuse on-site screening test" (screening test) under the Substance Abuse Testing law, the use of screening tests that may be used for forensic testing as a workplace testing device; and
- (2) Requiring employers using a screening test for pre-employment screening to administer the test in accordance with the manufacturer's package insert, instead of the United States Food and Drug Administration insert.

The Pacific Resource Partnership, Branan Medical Corporation, Emerald Bay Consulting, Hidano Construction, Inc., Castle & Cooke Homes Hawaii, Inc., Waiawa Ridge Development LLC, Building Industry Association of Hawaii, Kapolei Property Development LLC, and the Hawaii Carpenters Union testified in support of this bill. The Department of Health, Department of Human Resources Development, and a concerned individual opposed this measure.

Your Committee received proposed amendments from the proponents of this bill to allay concerns raised about the bill. However, those objecting to this bill have not had adequate opportunity to review the proposed amendments. Your Committee finds that further consideration of this bill is warranted and that the effective date of this measure, July 1, 2009, is intended to encourage such 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. 964, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 838 Judiciary on H.B. No. 1258**

The purpose of this bill is to ensure an increase in the State's share of recoveries in actions for false claims against the Medicaid program by bringing the State's false claims law into compliance with the federal requirement that state law provide a cause of action for persons who suffer retribution or discrimination from employers for reporting violations of the false claims law.

The Department of the Attorney General testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1258 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 839 Judiciary on H.B. No. 156**

The purpose of this bill is to enhance motor vehicle safety by:

- (1) Prohibiting the use of a mobile telephone while operating a moving vehicle, unless the telephone is equipped with a hands-free accessory and is being used in the hands-free mode;
- (2) Prohibiting the use of a mobile telephone, including those with hands-free accessories, while operating a moving school bus that is carrying passengers;
- (3) Prohibiting the use of a mobile telephone, including those with hands-free accessories, while operating a moving transit vehicle; and
- (4) Imposing fines for violations.

The bill provides exemptions for use of a mobile telephone for emergency purposes.

Cingular Wireless, Oahu Transit Services, Inc., and Verizon Wireless testified in support of this bill. The Office of the Public Defender opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 156, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 840 Economic Development & Business Concerns on H.B. No. 1640**

The purpose of this bill is to provide incentives for the designation and agricultural use of important agricultural lands (IALs) by requiring the Department of Health to establish and implement procedures giving priority to air pollution permits for agribusiness crop or livestock processing facilities where the majority of the lands used or owned by the agribusiness are designated as IALs.

The Maui County Farm Bureau, Alexander & Baldwin, Inc., and Land Use Research Foundation supported this bill. The Department of Agriculture supported the intent of this measure. The Sierra Club, Hawaii Chapter, opposed the bill. The Department of Health commented on the bill.

Your Committee believes this measure, in addition to supporting the designation and use of IALs, will send a clear message to the counties that providing IAL incentives is a priority of the State.

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. 1640 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai and Ching.

**SCRep. 841 Consumer Protection & Commerce/Judiciary on H.B. No. 1389**

The purpose of this bill is to streamline the registration process for fee simple time shares by removing these interests from the land court system.

The Department of Land and Natural Resources, Wyndham Worldwide, Pahio Development, Inc., Hawaii Land Title Association, ARDA-Hawaii, and Starwood Vacation Ownership testified in support of this bill. Title Guaranty of Hawaii, Inc., supported the intent of this measure. Several concerned individuals opposed this bill. The Judiciary submitted comments.

Your Committees find that the number of owners for a fee simple time share can range from hundreds to thousands, each of whom is issued a certificate of title under the land court system. This bill seeks to streamline time share registrations by eliminating the requirement that a certificate of title be issued to each time share unit owner.

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. 1389 and recommend that it pass Third Reading.

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

**SCRep. 842 Energy & Environmental Protection on H.B. No. 1374**

The purpose of this bill is to expedite the approval of Department of Transportation (DOT) roadway construction projects by repealing the requirement that a noise variance be obtained from the Department of Health (DOH) for all off-hour roadwork.

DOT and DOH submitted testimony in support of this bill.

Your Committee finds that off-hour roadwork requires a noise variance from the Director of Health, and involves a process that is lengthy, time-consuming, and costly for DOT. Your Committee finds that this bill will streamline the process while allowing noise concerns to be addressed through the permitting process, which will provide an opportunity for public comment on applications for off-hour roadwork.

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. 1374 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chong, Saiki and Thielen.

**SCRep. 843 Finance on H.B. No. 1219**

The purpose of this bill is to provide farmers with enhanced financial support by increasing the ceiling on agricultural and aquacultural loans that may be approved by the Chairperson of the Board of Agriculture from \$25,000 to \$75,000.

The Department of Agriculture, University of Hawaii Sea Grant College Program, Hawaii Aquaculture Association, and Maui County Farm Bureau testified in support of this bill. The Hawaii Agriculture Research 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. 1219 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 844 Finance on H.B. No. 20**

The purpose of this bill is to remove the provision that any position reallocated within the Department of Education (DOE) must be redirected from the state and district offices to the individual schools and learning support centers. Under the Reinventing Education Act of 2004 (Act 51, Session Laws of Hawaii 2004):

- (1) Schools can now determine the number and type of positions required by the school; and
- (2) DOE now has the authority to transfer positions within DOE.

DOE testified in support of this bill. The Hawaii Government Employees Association 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. 20 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 845 Finance on H.B. No. 22**

The purpose of this bill is to:

- (1) Repeal the State Educational Facilities Repair and Maintenance Account because there is no longer a need for a separate account for projects on the backlog list as of June 30, 2000; and
- (2) Amend the School Physical Plant Operations and Maintenance Account by renaming it the School Facilities Repair and Maintenance Account and using it for all school repairs and preventive maintenance projects.

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. 22 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 846 Finance on H.B. No. 36**

The purpose of this bill is to assist the counties by:

- (1) Authorizing state agencies to enter into indemnity agreements with the counties under certain circumstances; and
- (2) Relieving the counties from civil liability when the counties provide aid, assistance, support, benefits, services, and interests in or rights to use county property to a state agency, except in cases of gross negligence or wanton acts or omissions.

The Maui County Council testified in support of this bill. The Mayor of the County of Hawaii, County of Hawaii Department of Parks and Recreation, and County of Kauai supported this measure with amendments. The Department of the Attorney General and City and County of Honolulu 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. 36, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 847 Finance on H.B. No. 124**

The purpose of this bill is to extend the statute of limitations for actions against a county for damage or injury from six months to two years.

The Consumer Lawyers of Hawaii and a concerned individual testified in support of this bill. The Attorney General and City and County of Honolulu opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 124, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 848 Finance on H.B. No. 1256**

The purpose of this bill is to ensure timely notification by requiring that:

- (1) When making a direct appeal to the Tax Appeal Court; or
- (2) When appealing a decision by the State Board of Review, or equivalent administrative body established by county ordinance, to the Tax Appeal Court,

a taxpayer must serve a notice of appeal on the Director of Taxation or the county administrator of real property tax assessments, as appropriate, to properly confer jurisdiction over the appeal.

The Department of the Attorney General and Department of Taxation testified in support of this bill. The Tax Foundation of Hawaii offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1256, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 849 Finance on H.B. No. 855**

The purpose of this bill is to provide injured employees with necessary medical services in the event workers' compensation coverage is disputed by requiring these services to be continued until the Director of Labor and Industrial Relations issues a decision on the matter.

The Hawaii Government Employees Association, Hawaii State AFL-CIO, and several concerned individuals supported this bill. The Department of Labor and Industrial Relations, ILWU Local 142, Hawaii State Chiropractic Association, Hawaii Chapter—American Physical Therapy Association, and several concerned individuals

supported the intent of this bill. The Department of Human Resources Development, National Federation of Independent Business, Hawaii Insurers Council, Chamber of Commerce of Hawaii, and Property Casualty Insurers Association of America opposed the measure. Hawaii Employers' Mutual Insurance Company, Inc. commented.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 850 Finance on H.B. No. 989**

The purpose of this bill is to allow public employees to donate accumulated sick leave credits to other employees who are on extended leave due to serious personal illness or injury.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, United Public Workers, Hawaii Fire Fighters Association, and a concerned individual testified in support of this bill. The Department of Human Resources Development, Department of Health, County of Hawaii Department of Human Resources, and City and County of Honolulu Department of Human Resources 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. 989 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 851 Finance on H.B. No. 1081**

The purpose of this bill is to strengthen enforcement of the prevailing wage law by allowing a joint labor-management committee to bring civil actions against employers who fail to pay the prevailing wage to employees.

The Hawaii Carpenters Union testified in support of this bill. The Department of Labor and Industrial Relations 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. 1081 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Tokioka and Ward.  
(Representative Meyer voted no.)

**SCRep. 852 Finance on H.B. No. 1365**

The purpose of this bill is to clarify that the Board of Trustees of the State Deferred Compensation Plan (Compensation Plan) and State Deferred Compensation Retirement Plan (Retirement Plan) for part-time, temporary, and seasonal or casual employees may select and offer participants, investment products that are commonly offered in the securities industry or other deferred compensation plans that are determined to be reasonable and prudent investment products.

The Department of Human Resources Development, Board of Trustees for both the Compensation Plan and Retirement Plan, and Office of Hawaiian Affairs 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. 1365 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 853 Finance on H.B. No. 1672**

The purpose of this bill is to improve the ability of the legislative service agencies to hire and retain the most qualified individuals by increasing the maximum salary payable to the first assistant or first deputy in the Office of the Auditor, Legislative Reference Bureau (LRB), and Office of the Ombudsman, from not more than 87 percent to not more than 92 percent of the salary of the respective agency's director.

The Office of the State Auditor, Office of the Ombudsman, LRB, and Hawaii State Teachers 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. 1672 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Awana.

**SCRep. 854 Finance on H.B. No. 1368**

The purpose of this bill is to:

- (1) Change the name of the Hospital and Medical Facilities Special Fund to the Office of Health Care Assurance (OHCA) Special Fund (Fund);
- (2) Increase the amount of the Fund that can be used for OHCA activities; and
- (3) Make other improvements to the Fund.

The Department of Health 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. 1368 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 855 Finance on H.B. No. 10**

The purpose of this bill is to make the Hawaii Rx Plus prescription drug program more effective by requiring, instead of allowing:

- (1) A drug manufacturer or labeler that sells prescription drugs in the state to enter into a rebate agreement with the Department of Human Services (DHS); and

- (2) DHS to provide information to health care providers about the relative cost of drugs produced by manufacturers that enter into rebate agreements compared to the cost of drugs produced by those that do not enter into rebate agreements.

The Policy Advisory Board for Elder Affairs, ILWU Local 142, AARP Hawaii, and the National Multiple Sclerosis Society supported this bill. Pharmaceutical Research and Manufacturers of America opposed this measure. DHS 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. 10 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 856 Finance on H.B. No. 1007**

The purpose of this bill is to assist households that receive low-income housing assistance in achieving homeownership by exempting their family self-sufficiency escrow accounts from asset tests used to determine eligibility for public benefit programs administered by the Department of Human Services (DHS).

The Hawaii Alliance for Community-Based Economic Development testified in support of this bill. DHS 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. 1007 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 857 Finance on H.B. No. 1044**

The purpose of this bill is to allow QUEST patients equal access to immunosuppressants by:

- (1) Deleting a provision that excluded QUEST medical plans; and
- (2) Requiring that an economic impact assessment of providing this access be provided to the Legislature in 2010, 2011, and 2012.

The Hawaii Disability Rights Center testified in support of this bill. The Department of Human Services supported the intent of this measure. The Hawaii Association of Health Plans and a concerned individual testified in opposition to this bill. The Hawaii Medical Service Association 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. 1044, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 858 Finance on H.B. No. 625**

The purpose of this bill is to ensure that:

- (1) Fire fighters;
- (2) Law enforcement officers, including county police and corrections officers and enforcement officers of the Department of Land and Natural Resources' Division of Conservation and Resources; and
- (3) Other emergency first responders,

are fully prepared to respond to natural and manmade disasters, including acts of terrorism, by appropriating funds to conduct a feasibility study for a Hawaii State Public Safety and Emergency Response Training Facility.

The State Fire Council of the Department of Labor and Industrial Relations, Honolulu Fire Department, and Kauai Fire Department testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 625, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 859 Finance on H.B. No. 920**

The purpose of this bill is to help inmates achieve a successful transition when they reenter the community by appropriating funds to establish a cognitive restructuring and transition pilot program in the County of Hawaii at Kulani Correctional Facility, Hawaii Community Correctional Center, and Hale Nani Reintegration Center.

The County of Hawaii, Community Alliance on Prisons, and several concerned individuals testified in support of this bill. The Department of Public Safety 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. 920, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Awana.

**SCRep. 860 Finance on H.B. No. 1063**

The purpose of this bill is to support Hawaii's citizen-soldiers by requiring the State to allow officers, warrant officers, and enlisted personnel of the Hawaii Army and Air National Guard, while on active duty, to have their pay directly deposited by electronic means into their personal banking accounts.

The Chamber of Commerce of Hawaii 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. 1063 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 861 Finance on H.B. No. 1065**

The purpose of this bill is to honor the memory of those who have served in defense of their country by appropriating funds for:

- (1) The purchase of casket liners to help remedy soil problems at veterans cemeteries; and
- (2) The maintenance of State Veterans cemeteries statewide.

The Office of Veterans Services and the State Advisory Board on Veterans Services supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1065, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 862 Finance on H.B. No. 1092**

The purpose of this bill is to improve the State's emergency preparedness by appropriating funds for the purchase of back-up generators to ensure continuous electrical power at state airports and commercial harbors.

The Department of Transportation and Department of Defense supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1092, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 863 Finance on H.B. No. 1140**

The purpose of this bill is to enable the State Fire Council (Council) to meet its responsibilities more effectively by authorizing the Council to hire an administrator and an administrative assistant to:

- (1) Manage the daily operations of the Council;
- (2) Administer the adoption of the State Fire Code;
- (3) Apply for and expend federal grant assistance for fire-related projects;
- (4) Conduct statewide training;
- (5) Undertake educational programs;
- (6) Collect data; and
- (7) Perform other duties as directed by the Council.

The Department of Labor and Industrial Relations, Council, Honolulu Fire Department, and Kauai Fire Department testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1140, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 864 Finance on H.B. No. 1399**

The purpose of this bill is to clarify that:

- (1) Paid participation in work, education, and vocational training programs by persons who are incarcerated, other than persons on work furlough; and
- (2) Services performed by persons committed to penal institutions,

are excluded from the type of service that is considered employment under Hawaii's unemployment benefits law.

The Department of Labor and Industrial Relations and Department of Public Safety 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. 1399 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Awana.

**SCRep. 865 Finance on H.B. No. 1400**

The purpose of this bill is to permit adult corrections officers employed by the State to purchase uniforms from the Correctional Industries Program at their own expense.

The Department of Public Safety 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. 1400 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Awana.

**SCRep. 866 Finance on H.B. No. 1549**

The purpose of this bill is to improve traffic flow by:



- (1) Requiring county police departments to establish Multidisciplinary Accident Investigation Teams (MAITs) to conduct expeditious investigations of serious accidents on major roadways; and
- (2) Appropriating funds for the establishment of MAITs.

Two concerned individuals 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. 1549, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 867 Finance on H.B. No. 334**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, for Sopogy, Inc., for plans, design, construction, equipment, and operation of a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority or at other suitable sites in Hawaii.

Sopogy, Inc., the Hawaii Renewable Energy Alliance, and Hawaii Energy Policy Forum 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. 334, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 868 Finance on H.B. No. 854**

The purpose of this bill is to prevent the termination of temporary total disability benefits (benefits) in the event of a dispute, until the Director of Labor and Industrial Relations (Director) makes a decision to terminate the benefits. Among other things, this bill:

- (1) Clarifies that benefits shall be terminated only upon order of the Director, or if the employee's treating physician determines that the employee is able to resume work and a bona fide offer of work within the employee's medical restriction has been made by the employer;
- (2) Removes the condition that the injured employee is able to resume work in cases where the employer believes that benefits should be terminated and notifies the employee and the Director of the intent to terminate benefits; and
- (3) Allows employers to request credits for the amount of benefits paid by the employer after the date which the Director had determined should have been the last date of payment.

The Hawaii Chapter, American Physical Therapy Association, Hawaii Government Employees Association, Hawaii State AFL-CIO, ILWU Local 142, and numerous chiropractors testified in support of this measure. The Hawaii State Chiropractic Association testified in support of this measure, with an amendment. The Department of Labor and Industrial Relations supported the intent of this bill. The Department of Human Resources Development, The Chamber of Commerce of Hawaii, Hawaii Insurers Council, National Federation of Independent Businesses, and Property Casualty Insurers Association of America testified in opposition to this measure. The Department of the Attorney General and Hawaii Employers' Mutual Insurance Company 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. 854, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 869 Finance on H.B. No. 1322**

The purpose of this bill is to improve insurance licensing by:

- (1) Reestablishing issuance and service fees for the limited line motor vehicle rental company producer's license;
- (2) Providing that the place of business of licensed adjusters and independent bill reviewers is the place where the licensee principally conducts transactions under the license; and
- (3) Require the receipt of a resident insurance producer license application for the State of Hawaii within 90 days of the cancellation of the applicant's out-of-state resident license.

The Department of Commerce and Consumer Affairs testified in support of this bill. The American Council of Life Insurers testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1322 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 870 Finance on H.B. No. 1433**

The purpose of this bill is to afford military authorities an opportunity to raise any concerns they may have about urban encroachment on military installations that could adversely affect the effectiveness and preparedness of the installation by requiring sufficient notice of:

- (1) Proposed zoning changes on lands within 1000 yards or two miles (depending on the size of the population of the county) of any military installation; and
- (2) Any petitions for land use district boundary amendments for any lands within 1000 yards or two miles (depending on the size of the population of the county) of any military installation.

The Department of the Army, Department of Defense, and The Chamber Commerce of Hawaii supported this bill. The Office of Hawaiian Affairs 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. 1433 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 871 Consumer Protection & Commerce on H.B. No. 1307**

The purpose of this bill is to clarify the business registration requirements for foreign nonprofit corporations and foreign limited liability companies by requiring registration applications for these entities to include:

- (1) The mailing address of the business' principal office;
- (2) The street address of its registered office in Hawaii; and
- (3) The name of its registered agent at its registered office in Hawaii.

This bill also repeals the requirement that the home addresses of a foreign nonprofit corporation's current directors and officers be included on its business registration application.

The Business Registration Division of the Department of Commerce and Consumer Protection testified in support of this bill.

Act 235, Session Laws of Hawaii 2006, provided that a foreign entity must include in its business registration application the entity's current—rather than initial—principal office, registered office, and registered agent. This bill makes conforming amendments to the laws covering foreign nonprofit corporations and foreign limited liability companies.

Your Committee has amended this measure by changing its effective date to July 1, 2007.

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. 1307, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1307, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Herkes, Sonson, Tsuji, Yamashita and Thielen.

**SCRep. 872 Consumer Protection & Commerce on H.B. No. 1628**

The purpose of this bill is to enhance consumer awareness by requiring labels on macadamia nut consumer packages claiming that a portion of the macadamia nuts was grown in Hawaii to specify the percentage by weight of Hawaii-grown macadamia nuts.

The Department of Agriculture, Hawaii Farm Bureau Federation, and a concerned individual testified in support of this bill.

Your Committee finds that this bill seeks to provide clearer disclosures of the amount and origin of the raw or processed macadamia nuts sold in packages and to protect the branding of Hawaii products.

Your Committee has amended this measure by:

- (1) Clarifying the penalties for violating the labeling requirements for macadamia nut packages; 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 H.B. No. 1628, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1628, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Herkes, Sonson, Tsuji, Yamashita and Thielen.

**SCRep. 873 Judiciary on H.B. No. 356**

The purpose of this bill is to ensure the safety of children by:

- (1) Establishing a motor vehicle violation that prohibits leaving a child unsupervised in a motor vehicle; and
- (2) Requiring the examiner of drivers to test driver's license applicants for knowledge of this offense.

The Department of Human Services, Department of the Prosecuting Attorney of the City and County of Honolulu, Kids and Cars, Kids In Cars, Healthy Mothers, Healthy Babies Coalition of Hawaii, and Hawaii Family Forum supported this bill. The Office of the Public Defender opposed this bill.

Your Committee has amended this bill by:

- (1) Removing the provision that a police officer assuming protective custody of a child left unsupervised in a motor vehicle does so pursuant to section 587-22, Hawaii Revised Statutes (HRS);
- (2) Replacing the citation to section 291C-161(b), HRS, in section 291- (d), HRS, with the language of the penalties set forth in section 291C-161(b), HRS; 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. 356, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 356, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 874 Judiciary on H.B. No. 362**

The purpose of this bill is to alleviate traffic congestion due to motor vehicle accidents by allowing for the immediate removal of a motor vehicle from the scene of an accident.

Your Committee has amended this bill by changing the effective date to January 1, 2012, 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. 362, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 362, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 875 Judiciary on H.B. No. 714**

The purpose of this bill is to facilitate the enforcement of environmental laws by:

- (1) Allowing the use of blue and red lights on approved enforcement vehicles of the Department of Land and Natural Resources (DLNR) Division of Conservation and Resources Enforcement (DOCARE); and
- (2) Including DOCARE vehicles in the definition of "authorized emergency vehicle" in the Traffic Code.

Your Committee received testimony in support of the measure from DLNR, The Nature Conservancy of Hawaii, and several concerned individuals.

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. 714, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 714, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 876 Judiciary on H.B. No. 1406**

The purpose of this bill is to protect minors from the harmful effects of drugs by expanding the offenses of endangering the welfare of a minor in the first and second degrees to include situations in which a person having care or custody of a minor allows the minor to inject, ingest, inhale, or otherwise use any controlled substance that was not prescribed by a doctor.

Your Committee received testimony in support of this bill from the Honolulu Police Department, Department of Public Safety, Department of the Attorney General, and the Department of the Prosecuting Attorney of the City and County of Honolulu. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, 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. 1406, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1406, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 877 Judiciary on H.B. No. 1306**

The purpose of the bill is to establish enhanced administrative and civil penalties for securities violations committed against elders.

Your Committee received testimony in support of this bill from the Department of Commerce and Consumer Affairs Business Registration Division. AARP Hawaii supported the intent of this measure.

Your Committee amended the bill by:

- (1) Changing the effective date to January 1, 2112, 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. 1306, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1306, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 878 Judiciary on H.B. No. 1311**

The purpose of this bill is to improve the regulation of money transmitters by, among other things:

- (1) Exempting from regulation as money transmitters, foreign banks that are licensed under the laws of the United States or any state and therefore already supervised as financial institutions;
- (2) Clarifying that each licensee shall, as part of an annual license fee, pay to the Commissioner of Financial Institutions \$100 for each additional location in the state, instead of for each authorized delegate; and
- (3) Authorizing the Commissioner of Financial Institutions to provide reports and other information relating to the examination of money transmitters to certain state agencies having regulatory authority over a money transmitter, and to other state and federal agencies for use in investigating civil or criminal charges against a money transmitter.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Financial Services Association submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2112, 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. 1311, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1311, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, McKelvey, Souki, Pine and Thielen.

**SCRep. 879 Judiciary on H.B. No. 1721**

The purpose of this bill is to protect emergency medical services personnel from harm by adding the commission of violence or the threat of violence against emergency medical services personnel to the offenses of assault in the second degree and terroristic threatening in the first degree.

The Honolulu Emergency Services Department, Healthcare Association of Hawaii, and several concerned individuals testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by changing the effective date to January 1, 2112, 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. 1721, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1721, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 880 Judiciary on H.B. No. 1864**

The purpose of this bill is to support coqui frog eradication efforts by limiting the liability of governmental agencies and private entities for injuries sustained by unpaid volunteers in connection with coqui frog eradication programs and projects.

The Department of Land and Natural Resources, a member of the Maui County Council, Beach Road Invasive Coqui Squad, Maui Outdoor Circle, Kihei Akahi A.O.A.O., and a concerned individual supported this bill. The Department of Agriculture supported the intent of this measure.

Your Committee has amended this measure by changing its effective date to January 1, 2112, 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. 1864, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1864, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 881 Judiciary on H.B. No. 154**

The purpose of this bill is to enhance the law pertaining to persons operating a motor vehicle with a high blood alcohol level by:

- (1) Clarifying the term "highly intoxicated driver";
- (2) Establishing evidence and sentencing parameters for highly intoxicated drivers; and
- (3) Establishing minimum and maximum administrative license revocation periods for highly intoxicated drivers.

The Department of Transportation, City and County of Honolulu Department of the Prosecuting Attorney, GEICO, MADD-Hawaii, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 154, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 154, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 882 Judiciary on H.B. No. 160**

The purpose of this bill is to enable a driver whose license was administratively revoked for life for repeatedly driving while intoxicated to have the license restored upon meeting certain conditions.

The Office of the Public Defender testified in support of this bill. Mothers Against Drunk Driving – Hawaii supported the intent of this measure. The Judiciary, City and County of Honolulu Department of the Prosecuting Attorney, and Honolulu Police Department opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, 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. 160, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 160, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 883 Judiciary on H.B. No. 248**

The purpose of this bill is to repeal the ten round capacity limit on detachable ammunition magazines designed for or capable of use with a pistol. The bill also prohibits magazines not authorized for use with the pistol by its manufacturer.

The Hawaii Rifle Association, the Secretary of the Puuloa Rifle and Pistol Club, and a large number of concerned individuals testified in support of this bill. The Department of the Attorney General and the Honolulu Police Department opposed this measure.

Your Committee has amended this bill by changing the effective date to January 1, 2112, 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. 248, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 248, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 884 Judiciary on H.B. No. 894**

The purpose of this bill is to allow drivers 18 to 21 years of age to be granted a special commercial driver's license allowing them to drive only smaller commercial buses, vans, and trucks.

The Hawaii Transportation Association supported this bill. The Department of Transportation and the Honolulu Police Department opposed this measure.

Your Committee finds that this measure is not intended to confer upon 18 year olds all the privileges of a commercial drivers license.

Your Committee has amended the bill by:

- (1) Extending the effective date to January 1, 2112; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 894, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 894, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 885 Judiciary on H.B. No. 1057**

The purpose of this bill is to deter minors from using tobacco products by:

- (1) Making it unlawful for a minor to possess or use any tobacco product; and
- (2) Subjecting repeat offenders to discretionary rather than mandatory community service.

This bill also adds an exception for minors who are delivering tobacco for their employer's lawful business.

The Attorney General, Hawaii Food Industry Association, and several concerned individuals supported this bill. The American Lung Association supported the intent of this measure. The Coalition for a Tobacco Free Hawaii, Drug Policy Forum of Hawaii, and American Heart Association opposed this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2112, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1057, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1057, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 886 Judiciary on H.B. No. 1058**

The purpose of this bill is to amend sanctions for minors and persons under the age of 21 who try to gain access to or possession of liquor by:

- (1) Prohibiting persons less than 21 years of age from using a false ID to enter premises that exclude persons under age 18 or 21; and
- (2) Allowing persons under 21 years of age who purchase, possess, or consume liquor or use a false ID to be fined as an alternative to a license suspension in counties with a population of under 500,000 residents.

The Hawaii Food Industry Association testified in support of this bill. The Office of the Lieutenant Governor, Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Mothers against Drunk Driving-Hawaii, and several concerned individuals opposed this measure. The Office of the Public Defender provided comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2112, 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. 1058, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1058, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen. (Representative Marumoto voted no.)

**SCRep. 887 Finance on H.B. No. 136**

The purpose of this bill is to appropriate funds to continue the vital services provided by the Hawaii AIDS Clinical Research Program (Program) in conducting healthcare research and development to improve the lives of patients with HIV-1 infection.

The Program, Clint Spencer Clinic, Life Foundation, Maui AIDS Foundation, Hawaii Island HIV/AIDS Foundation, and several concerned individuals testified in support of this bill. The John A. Burns School of Medicine of the University 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 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. 136, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 136, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 888 Finance on H.B. No. 428**

The purpose of this bill is to support the development of strong families by appropriating funds to the Center on the Family at the University of Hawaii (UH).

The Hawaii Public Housing Authority Homeless Programs Branch, Read To Me International Foundation, Assisted Living Options Hawaii, Springs of Living Water, Institute for Human Services, Hawaii Youth Services Network, American Lung Association of Hawaii, PATCH, Catholic Charities Hawaii, Healthy Mothers, Healthy Babies Coalition of Hawaii, Hawaii Women Work!, Save the FoodBasket, Inc., Windward Homeless Coalition, Aloha United Way, Ka Hale Pomaika'i, Project Dana, Honolulu Community Action Program, and several concerned individuals testified in support of this bill. UH 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. 428, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 428, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 889 Finance on H.B. No. 767**

The purpose of this bill is to encourage students of underrepresented populations to attend college by:

- (1) Requiring the Department of Education (DOE) to provide students who participate in the Running Start Program (Program) with guidance in earning credit toward high school graduation upon the satisfactory completion of certain University of Hawaii (UH) courses; and
- (2) Appropriating funds for scholarships for students who are members of underrepresented populations in higher education to participate in the Program.

GEAR UP Hawaii testified in support of this bill. DOE and the Hawaii P-20 Initiative supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that UH, rather than DOE, will provide the scholarships;
- (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. 767, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 767, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 890 Finance on H.B. No. 777**

The purpose of this bill is to strengthen teacher recruitment and retention, especially in teacher shortage areas, by appropriating funds to the Hawaii Educator Loan Program, which forgives student loans for individuals who commit to teaching in Hawaii's public schools.

The Hawaii State Teachers Association testified in support of this bill. The Department of Education and University 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 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. 777, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 777, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 891 Finance on H.B. No. 1014**

The purpose of this bill is to improve the recruitment and retention of qualified teachers for Hawaii's public schools by, among other things:

- (1) Changing the membership and reporting schedule of the Performance Standards Commission;
- (2) Removing the reference to the No Child Left Behind Act of 2001 and the grades currently being tested, in anticipation of possible changes to the federal law;
- (3) Providing for alternative assessments, including those based on the academic growth of students;
- (4) Clarifying the dual purposes of the Hawaii Educator Loan Program;
- (5) Appropriating funds to the Hawaii Educational Policy Center to:
  - (A) Staff the Performance Standards Commission;

- (B) Work with the Department of Education (DOE) and other educational research organizations to develop alternative assessment tools, including a comprehensive "growth model" to measure student achievement over time; and
  - (C) Provide independent comment and analysis on issues before the Legislature, Board of Education, and DOE;
- (6) Appropriating funds for various programs to:
- (A) Increase the capacity of the University of Hawaii (UH) College of Education to educate qualified teachers;
  - (B) Meet federal requirements for institutional support of disability studies; and
  - (C) Expand teacher professional development and mentoring;
- and
- (7) Appropriating funds for the Office of School Redesign.

The State Council on Developmental Disabilities, UH at Manoa College of Education Faculty Senate, UH at Manoa College of Education Alumni Association, Hawaii State Teachers Association (HSTA), HSTA-Retired, Hawaii Disability Rights Center, and a concerned individual testified in support of this bill. The Center on Disability Studies and two concerned individuals supported this measure with amendments. DOE and UH supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to unspecified amounts 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. 1014, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1014, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 892 Finance on H.B. No. 1528**

The purpose of this bill is to encourage Hawaii residents to pursue a post-secondary education by:

- (1) Increasing the amount of funds appropriated for the B Plus Scholarship Program (Program);
- (2) Changing the Program's eligibility criteria; and
- (3) Providing Hawaii residents who pledge, via an early intervention program, to meet the requirements for the B Plus Scholarship to receive priority for the scholarship.

The Department of Education, Workforce Development Council of the Department of Labor and Industrial Relations, GEAR UP Hawaii, Hawaii Women Work! and a concerned individual testified in support of this bill. The University of Hawaii supported the intent of the measure.

Your Committee has amended this bill by:

- (1) Providing for a direct appropriation to the University of Hawaii for the Program rather than amending budget proviso language of section 57 of Act 178, Session Laws of Hawaii 2005, as amended by section 5 of Act 257, Session Laws of Hawaii 2006;
- (2) Changing its effective date to July 1, 2020, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1528, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1528, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Rhoads and Tokioka.

**SCRep. 893 Finance on H.B. No. 1530**

The purpose of this bill is to recruit and retain qualified teachers and educational assistants to work in public schools in rural areas or in hard-to-fill positions by establishing:

- (1) An Educator and Educational Assistant Loan Forgiveness Program (Loan Forgiveness Program) for potential teachers and educational assistants who agree to work in rural schools, to be administered by the Department of Education (DOE);
- (2) A Hawaii Educational Assistant Loan Program (Loan Program) for potential educational assistants, to be administered by the University of Hawaii (UH), and providing for the gradual waiver of the loan as the loan recipient works as an educational assistant in a hard-to-fill public school position; and
- (3) Special funds for the Loan Forgiveness Program and Loan Program.

This bill also appropriates funds for the purposes of the two programs.

The Hawaii State Teachers Association supported this bill. DOE, UH, and Hawaii Government Employees Association supported the intent of this bill. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Providing that DOE will administer the Loan Forgiveness Program in partnership with a financial institution whose operations are principally conducted in Hawaii;
- (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. 1530, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1530, H.D. 1.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 894 Finance on H.B. No. 1531**

The purpose of this bill is to alleviate the shortage of nurses in Hawaii by appropriating funds to the University of Hawaii (UH) to:

- (1) Hire more nursing faculty and support positions;
- (2) Establish a Graduate Nursing Faculty Loan Program;
- (3) Create a Nursing Student Scholarship Program;
- (4) Increase facilities for nursing programs; and
- (5) Continue operations of the Hawaii Quentin Burdick Rural Health Interdisciplinary Training Program.

The Hawaii State Center for Nursing-UH, Healthcare Association of Hawaii, The Queen's Medical Center, Na Pu'uwai Native Hawaiian Health Care System, Quentin Burdick Rural Health Interdisciplinary Training Program, UH Statewide Nursing Consortium, and several concerned individuals testified in support of this bill. UH System, Hawaii Health Systems Corporation and a concerned individual supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing all appropriation figures to unspecified amounts; and
- (2) Changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1531, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1531, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 895 Finance on H.B. No. 104**

The purpose of this bill is to improve access to medical care by:

- (1) Establishing a process by which Medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation;
- (2) Retroactively adjusting for inflation payments made to providers of hospital outpatient services and other individual providers to account for the lack of a rate increase for the past five years; and
- (3) Appropriating funds to increase the Medicaid fee schedule to 100 percent of the 2006 Medicare fee schedule for fiscal biennium 2007-2009.

The Healthcare Association of Hawaii, Hawaii Primary Care Association, Hawaii Medical Association, Kaiser Permanente, and Hawaii Chapter – American Physical Therapy Association supported this bill. Hawaii Pacific Health and The Chamber of Commerce of Hawaii supported this measure with amendments. The Department of Human Services opposed this bill.

Your Committee has amended this bill by:

- (1) Removing the specific appropriation for adjusting for inflation payments made to Medicaid fee-for-service practitioners during fiscal biennium 2005-2007;
- (2) Deleting the specific percentage amount tied to the Medicaid fee schedule;
- (3) Changing the effective date to July 1, 2020, to facilitate 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. 104, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 104, H.D. 2.

Signed by all members of the Committee.

**SCRep. 896 Finance on H.B. No. 150**

The purpose of this bill is to provide more funding for shelter and services to homeless and low-income individuals and families by:

- (1) Increasing from 30 to 65 percent, the allocation of the conveyance tax to the Rental Housing Trust Fund (RHTF);
- (2) Appropriating \$30,000,000 in each year of fiscal biennium 2007-2009 for the purposes of the RHTF;
- (3) Appropriating an unspecified amount of funds in each year of fiscal biennium 2007-2009 to repair and renovate state public housing;
- (4) Appropriating \$15,000,000 in each year of fiscal biennium 2007-2009 for outreach and supportive services to homeless individuals and families;



- (5) Appropriating \$15,000,000 in each year of fiscal biennium 2007-2009 to provide support services at emergency and transitional shelters to the homeless; and
- (6) Appropriating \$3,000,000 in fiscal year 2007-2008 and \$4,000,000 in fiscal year 2008-2009 as matching funds for Shelter Plus Care grants.

The County of Hawaii Office of Housing and Community Development, Hawaii Association of REALTORS, Catholic Charities Hawaii, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Office for Social Ministry, Diocese of Honolulu, Waikiki Health Center's Care-A-Van Program, Partners In Care, and several concerned individuals testified in support of this bill. The Department of Taxation and Land Use Research Foundation of Hawaii supported the intent of this measure. The Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Leaving blank the percentage of the conveyance tax allocated to the RHTF;
- (2) Leaving blank all appropriation amounts;
- (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. 150, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 150, H.D. 2.

Signed by all members of the Committee.

**SCRep. 897 Finance on H.B. No. 453**

The purpose of this bill is to ensure equality for women and girls in the state by appropriating additional funds to the Hawaii State Commission on the Status of Women (Commission) for programming, travel, and office expenses for various events organized by the Commission.

The Commission, Kokua Council, the Oahu Chapter of Voices, The Formerly Battered Women's Caucus, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount from \$53,700 to an unspecified sum;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 453, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 453, H.D. 1.

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

**SCRep. 898 Finance on H.B. No. 906**

The purpose of this bill is to encourage the development and preservation of affordable housing by establishing an Affordable Housing Inventory Advisory Commission within the Hawaii Housing Finance and Development Corporation (HHFDC) to provide annual reports to the Legislature and to make recommendations to State or county agencies.

The Office of Hawaiian Affairs testified in support of this bill. HHFDC opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 906, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 906, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 899 Finance on H.B. No. 928**

The purpose of this bill is to increase low- and moderate-income families' homeownership by:

- (1) Exempting family self-sufficiency escrow accounts from the asset test for public assistance administered by the Department of Human Services; and
- (2) Appropriating funds to the Hawaii Public Housing Authority (HPHA) to:
  - (a) Increase outreach and administrative support for the section 8 homeownership option and the housing choice voucher family self-sufficiency programs;
  - (b) Provide matching grants or loan forgiveness to section 8 homeownership option program participants to help with down payments; and
  - (c) Provide additional state matches to help housing choice voucher family self-sufficiency program participants to build homeownership savings.

The Hawaii Alliance for Community-based Economic Development testified in support of this bill. The Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Deleting the amendments to the eligibility criteria for medical assistance in section 346-29(d), as the same criteria is already included in eligibility criteria for public assistance, which covers medical assistance;

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 928, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 928, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 900 Finance on H.B. No. 1002**

The purpose of this bill is to reduce speculation and increase affordable housing by establishing an anti-speculation capital gains tax, to be deposited into the Rental Housing Trust Fund.

The Hawaii Association of REALTORS and National Federation of Independent Businesses in Hawaii opposed this bill. The Department of Taxation and Tax Foundation of Hawaii provided 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1002, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1002, H.D. 2.

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

**SCRep. 901 Finance on H.B. No. 1076**

The purpose of this bill is to establish the Affordable Housing Inventory Protection Board to gather information on the supply of and demand for affordable housing in Hawaii to better understand Hawaii's affordable housing crisis.

Two concerned individuals testified in support of this bill. The Hawaii Housing Finance and Development Corporation opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1076, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1076, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 902 Finance on H.B. No. 1095**

The purpose of this bill is to enhance the authority of the counties to develop affordable housing by clarifying their ability to issue revenue bonds to assist in the development of low- and moderate-income housing by non-profit organizations or public instrumentalities.

The Mayor of the County of Hawaii testified in support of this bill. UniDev Hawaii, LLC, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1095, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1095, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 903 Finance on H.B. No. 1283**

The purpose of this bill is to ensure the availability of affordable housing in the Kakaako area by:

- (1) Permanently allowing the Hawaii Community Development Authority (HCDA) to repurchase property; and
- (2) Allowing HCDA to sell the fee simple interest in reserved housing units within the Kakaako Community Development District.

HCDA 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. 1283, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1283, H.D. 2.

Signed by all members of the Committee.

**SCRep. 904 Finance on H.B. No. 1356**

The purpose of this bill is to expand post-secondary education opportunities for former foster youth by:

- (1) Increasing to 21 years of age, the time limit for an application for a higher education board allowance;
- (2) Providing former foster youth who are between the ages of 22 and 26 years of age on July 1, 2007, and who are already attending a higher education institution, the opportunity to apply for a higher education board allowance within a year;
- (3) Increasing from 21 to 26 years of age, the maximum age for the benefit;
- (4) Extending to 60 months, the maximum benefit length; and

- (5) Appropriating \$287,247 in fiscal year 2007-2008 and \$349,140 in fiscal year 2008-2009 to provide higher education board allowances for eligible former foster youth.

The Department of Human Services, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Child Welfare Services Advisory Council, Kapiolani Child Protection Center, Legal Aid Society of Hawaii, Hawaii Foster Youth Coalition, Hawaii Youth Services Network, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to an unspecified amount to encourage further discussion;
- (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. 1356, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1356, H.D. 2.

Signed by all members of the Committee.

**SCRep. 905 Finance on H.B. No. 1361**

The purpose of this bill is to make various housekeeping amendments relating to the Hawaii Public Housing Authority (HPHA).

HPHA testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying that the federal lands for temporary emergency housing are at 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1361, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1361, H.D. 1.

Signed by all members of the Committee.

**SCRep. 906 Finance on H.B. No. 1364**

The purpose of this bill is to expand participation in the State Rent Supplement Program (Program) by:

- (1) Requiring the Hawaii Public Housing Authority (HPHA) to allow individuals and families living in transitional shelters, who are homeless or on the public housing or Section 8 wait lists, to be eligible for the Program wait list; and
- (2) Removing the \$160 per month cap on payments and requiring the Program to serve individuals with incomes up to 70 percent of the area median income.

HPHA, the Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Catholic Charities Hawaii, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1364, H.D. 2.

Signed by all members of the Committee.

**SCRep. 907 Finance on H.B. No. 1844**

The purpose of this bill is to preserve the inventory of affordable rental housing on Oahu by:

- (1) Directing the Hawaii Housing Finance and Development Corporation (HHFDC) to negotiate with Kamehameha Schools for State acquisition of the property underlying the Kulana Nani apartments in Kaneohe, Oahu;
- (2) Authorizing HHFDC, if necessary, to acquire the property through its power of eminent domain; and
- (3) Appropriating an unspecified sum for land acquisition.

HHFDC and Kamehameha Schools 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 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. 1844, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1844, H.D. 1.

Signed by all members of the Committee.

**SCRep. 908            Judiciary on H.B. No. 435**

The purpose of this bill is to promote traffic safety by requiring mopeds to:

- (1) Be properly equipped and in a safe condition while operated;
- (2) Be inspected annually;
- (3) Display a certificate of inspection; and
- (4) Be operated with an exhaust system that meets the original manufacturer's specifications.

One concerned individual testified in support of this bill. Cycle Imports Hawaii opposed this measure, and two concerned individuals offered comments.

Your Committee finds that although this bill is intended in part to address the noise created by inappropriate moped mufflers, concerns remain regarding:

- (1) Standards for meeting "original manufacturer specifications" for mufflers;
- (2) Uncertainty in the implementation of inspections; and
- (3) The detection of violations and enforcement of the requirements.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, to allow for further discussion;
- (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. 435, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 435, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey and Pine.

**SCRep. 909            Judiciary on H.B. No. 528**

The purpose of this bill is to allow a minor who is not under the care, supervision, or control of a parent or other guardian to consent to the provision of primary medical care and services.

The Hawaii Primary Care Association, Waikiki Health Center, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaii Medical Association, Kaiser Permanente, The Queen's Medical Center, Community Clinic of Maui, Volunteer Legal Services Hawaii, Hawaii Medical Services Association, and many concerned individuals 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. 528, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 528, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 910            Judiciary on H.B. No. 624**

The purpose of this bill is to provide meaningful opportunities for offenders to reintegrate into society and demonstrate that they have the potential to function as law-abiding citizens by authorizing the Hawaii Paroling Authority to parole committed person to any county in the state where they will receive the greatest support to successfully reintegrate into the community.

The Office of Hawaiian Affairs, Community Alliance on Prisons, Maui Economic Opportunity, Inc., and a concerned individual testified in support of this bill. The Hawaii Paroling Authority supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2112, to promote further discussion; and
- (2) Making technical and nonsubstantive changes for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 624, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 624, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 911            Judiciary on H.B. No. 1215**

The purpose of this bill is to clarify and expedite the processing of traffic infractions by, among other things:

- (1) Clearly establishing that the District Court may adjudicate civil traffic infractions charged against minors;
- (2) Clarifying that confidentiality protections afforded to minors are inapplicable to civil traffic infraction proceedings;
- (3) Consistently applying the civil standard of proof for civil traffic infraction trials;
- (4) Allowing District Courts discretionary scheduling of concurrent proceedings to address difficulties faced in complying with present concurrent scheduling requirements;
- (5) Clarifying the protections afforded to a defendant against self-incrimination;

- (6) Promoting consistency in the manner of processing and adjudicating moving and non-moving civil traffic infractions;
- (7) Permitting the use of electronic citations; and
- (8) Requiring that the person who is the lessee of the vehicle at the time of the issuance of a traffic infraction shall be responsible for the summons or citation if the registered owner of record is the lessor of a rental or U-drive motor vehicle.

The Judiciary supported this bill. Catrala-Hawaii supported this bill with amendments.

Your Committee has amended certain provisions of this bill relating to lessors and lessees of rental or U-drive motor vehicles by:

- (1) Exempting laws pertaining to the care and maintenance of the vehicle from the requirement that the lessee, at the time of the issuance of a traffic infraction, shall be responsible for the summons or citation if the registered owner of record is the lessor of a rental or U-drive motor vehicle;
- (2) Clarifying that if requested by the lessor in writing within 45 days of such notice of violation, the administrative judge of the court having jurisdiction over the citation or summons shall waive the requirement of providing the name and address of the lessee by the lessor and impose an administrative fee per citation or summons of five dollars per citation or summons on the lessor; and
- (3) Exempting parking citations and traffic infractions pertaining to the care and maintenance of the vehicle from the provision allowing the lessor to adopt a policy of charging the lessee for the actual cost of the citation or infraction paid to the court.

In addition, your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2112, 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. 1215, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1215, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 912                    Judiciary on H.B. No. 1260**

The purpose of this bill is to restore the court's authority to order a mental or medical examination of a defendant before sentencing.

Your Committee received testimony in support of this measure from the Attorney General and the Honolulu Department of the Prosecuting Attorney. The Office of the Public Defender did not support this measure.

Your Committee finds that the provisions contained in this bill restore the court's authority for presentence mental or medical examinations that was inadvertently repealed by Act 112, Session Laws of Hawaii 2005. Restoring the authority for presentence mental or medical examinations allows the court to better evaluate certain defendants to determine the most appropriate sentence.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2112, 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. 1260, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1260, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 913                    Judiciary on H.B. No. 1328**

The purpose of this bill is to deter insurance fraud by including felony insurance fraud relating to workers' compensation, accident and health or sickness, and motor vehicle insurance, as well as relating to such insurance provided by mutual benefit societies and health maintenance organizations, among the offenses subject to repeat felony offender sentencing.

The Department of Commerce and Consumer Affairs and the Attorney General supported this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2112, 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. 1328, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1328, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 914                    Judiciary on H.B. No. 1548**

The purpose of this bill is to facilitate the rehabilitation of convicted drug offenders by allowing the courts the option of sentencing certain offenders to secured drug treatment facilities as an alternative to incarceration.

The Office of the Public Defender supported the intent of this bill.

Your Committee finds that this measure provides an alternative method to treat drug offenders and may help to reduce the incidence of drug recidivism.

Your Committee has amended this measure by changing its effective date to January 1, 2112.

As affirmed by the record of votes of 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. 1548, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1548, H.D. 1.

Signed by all members of the Committee except Representatives Caldwell, Evans, Luke, McKelvey, Morita, B. Oshiro, Sonson and Thielen.

**SCRep. 915 Finance on H.B. No. 692**

The purpose of this bill is to support agriculture in Hawaii by extending the lapse date from June 30, 2007, to June 30, 2010, for special purpose revenue bonds authorized under Act 131, Session Laws of Hawaii 2004, to assist Aloun Farms in building an agricultural processing plant.

The Hawaii Farm Bureau Federation and Hawaii Agriculture Research Center testified in support of this bill.

Your Committee has amended this bill by changing its effective date to June 29, 2007.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 692, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 692, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 916 Finance on H.B. No. 1004**

The purpose of this bill is to enhance the ability of the Division of Consumer Advocacy (Division) of the Department of Commerce and Consumer Affairs to carry out its duties and responsibilities by:

- (1) Requiring the Division to restructure its operations pursuant to the Division's December 2006, report to the Legislature to improve its effectiveness and efficiency; and
- (2) Appropriating funds to meet the costs incurred as a result of the restructuring process.

The Executive Director of the Division, Public Utilities Commission, Hawaii Energy Policy Forum, The Gas Company, Hawaiian Electric Company, Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Young Brothers, Hawaii Solar Energy Association, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Deleting any specific appropriation amounts; 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. 1004, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1004, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 917 Finance on H.B. No. 1005**

The purpose of this bill is to enhance the ability of the Public Utilities Commission (PUC) to carry out its duties and responsibilities by:

- (1) Requiring the PUC to restructure its operations pursuant to the PUC's December 2006, report to the Legislature, to improve its effectiveness and efficiency;
- (2) Appropriating funds to meet the costs incurred as a result of the restructuring process; and
- (3) Authorizing the PUC to consider the need for increased renewable energy use in exercising its authority and duties.

The PUC, Consumer Advocate of the Department of Commerce and Consumer Affairs, Hawaii Energy Policy Forum, Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., Hawaii Electric Company Light, Inc., Maui Electric Light Company, Ltd., The Gas Company, Young Brothers, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Deleting specific appropriation amounts;
- (2) Changing the effective date to July 1, 2020, to facilitate 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. 1005, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1005, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 918 Finance on H.B. No. 1006**

The purpose of this bill is to ensure Hawaii's readiness for disasters by establishing the Office of the Director of Disaster Preparedness and the Disaster Preparedness Commission to develop a comprehensive disaster preparedness plan for the State. This bill appropriates unspecified sums, including funds for community emergency response team program training and support in each county.

The Hawaii Medical Service Association and Hawaii Financial Services Association testified in support of this bill. The Hawaii Insurers Council supported the intent of this measure. The Department of Accounting and General Services, Department of Defense, and the Mayor of the County of Hawaii opposed this bill. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, for the purpose of continuing discussion; and

- (2) Making technical, nonsubstantive amendments for clarity 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. 1006, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1006, H.D. 2.

Signed by all members of the Committee.

**SCRep. 919 Finance on H.B. No. 1334**

The purpose of this bill is to extend the authority to increase or decrease professional and vocational licensing fees to 30 additional licensing programs under the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs (DCCA).

The Professional and Vocational Licensing Division of DCCA, National Association of Social Workers, Occupational Therapy Association of Hawaii, and Hawaii Psychological Association testified in support of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2008.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1334, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1334, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 920 Finance on H.B. No. 1338**

The purpose of this bill is to appropriate emergency funding to the Department of Consumer Advocacy (Consumer Advocate) of the Department of Commerce and Consumer Affairs to investigate the power outages that occurred on October 15, 2006, on the islands of Oahu, Maui, and Hawaii.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 232 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

The Consumer Advocate and Public Utilities Commission testified in support of this bill.

Your Committee has amended this bill by:

- (1) Appropriating \$100,000 from the Public Utilities Commission Special Fund into the Compliance Resolution Fund (CRF); and
- (2) Appropriating \$100,000 out of the CRF to conduct the investigation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1338, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1338, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 921 Finance on H.B. No. 592**

The purpose of this bill is to:

- (1) Provide opportunities for professional growth;
- (2) Enhance education to improve student achievement; and
- (3) Provide educational assistants with incentive, salary supplement, and career advancement programs;

by appropriating funds to the Department of Education (DOE) to implement and fund the Career Ladder Program for educational assistants to attract, retain, and reward quality and excellence in educational assistants.

DOE, Hawaii Government Employees Association, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to facilitate 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. 592, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 592, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 922 Finance on H.B. No. 595**

The purpose of this bill is to increase accountability and transparency within the Department of Education (DOE) by appropriating funds to improve its technology systems and infrastructure, including:

- (1) Providing an integrated comprehensive student support system;
- (2) Expanding the State's high capacity network to accommodate increasing needs in the use of technology in the classrooms;
- (3) Providing for a facilities asset management system to link DOE's facilities inventory with condition assessments, and track and prioritize major and minor repairs to all school facilities; and
- (4) Adding funding for staff, training, supplies, and equipment for a fee-for-service pilot program with DOE's Office of Technology Services to provide technology assistance to schools, school complexes, and complex areas.

DOE and the Hawaii Government Employees Association supported this bill.

Your Committee has amended this bill by:

- (1) Removing specific appropriated dollar amounts;
- (2) Changing the effective date to July 1, 2020, to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committee acknowledges DOE's recommendation to clarify that the integrated comprehensive support system is one of the items that will be supported by the appropriation for the Office of Information Technology Services and that these funds should be used for "improvements" to the financial management system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 595, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 595, H.D. 2.

Signed by all members of the Committee except Representatives Sagum, Tokioka, Awana and Meyer.

**SCRep. 923 Finance on H.B. No. 55**

The purpose of this bill is to address youth suicide in Hawaii by:

- (1) Establishing a statewide Youth Suicide Early Intervention and Prevention Program (Program); and
- (2) Appropriating funds to the Department of Health for the Program.

Mental Health Association of Hawaii/Mental Health America, Hawaii Psychological Association, National Alliance on Mental Illness-Oahu, Hawaii Suicide Prevention Steering Committee and Task Force, and a concerned individual testified in support of this bill. The Department of Education and 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;
- (2) Extending the sunset date to June 30, 2022; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 55, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 55, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 924 Finance on H.B. No. 367**

The purpose of this bill is to ensure that referrals to appropriate alcohol and drug abuse screening and counseling are offered to patients in primary care or emergency room settings when they are suspected by physicians to be at risk for, or diagnosed with, alcohol or other substance use disorders. Specifically, this bill:

- (1) Requires physicians to offer a screening and counseling referral to patients suspected of alcohol or drug abuse;
- (2) Directs the University of Hawaii (UH) to develop and implement a pilot program at an emergency department of a medical facility in Honolulu for screening, brief intervention, and referral to substance abuse treatment; and
- (3) Appropriates funds to implement the pilot program.

A concerned individual testified in support of this bill. Mothers Against Drunk Driving supported the measure in part. The Office of the Lieutenant Governor and UH supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Deleting the amounts appropriated to UH to implement the pilot program; and
- (2) 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. 367, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 367, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 925 Finance on H.B. No. 853**

The purpose of this bill is to ensure that a violation of the prevailing wage law arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

The Hawaii State AFL-CIO, International Union of Elevator Constructors Local 126, Hawaii Building and Construction Trades Council AFL-CIO, and Plumbers and Fitters Union Local 675 testified in support of this bill. DLIR opposed this measure. The Laborers' Union Local 368 offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2007; and
- (2) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 853, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 853, H.D. 2.



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

**SCRep. 926 Finance on H.B. No. 861**

The purpose of this bill is to ensure that the prevailing wage is paid to workers at private construction projects funded by special purpose revenue bonds (SPRBs) by:

- (1) Requiring that the Director of Budget and Finance (B&F) report to the Department of Labor and Industrial Relations (DLIR) on any issuances of SPRBs for private projects that fall within the definition of "public works project" in the prevailing wage law but are not directly caused by a governmental contracting agency; and
- (2) Requiring DLIR to serve as the governmental contracting agency and enforce the prevailing wage law for these private projects.

The Hawaii State AFL-CIO and International Brotherhood of Electrical Workers Local Union 1186 testified in support of this bill. DLIR and B&F opposed this measure. The Office of Housing and Community Development of the County 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 861, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 861, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Har, Tokioka and Ward. (Representative Meyer voted no.)

**SCRep. 927 Finance on H.B. No. 863**

The purpose of this bill is to ensure that private construction contracts where more than half of the project will be used by the State or a county, will comply with the prevailing wage law by requiring:

- (1) The project owner to certify that the project will comply with the prevailing wage law;
- (2) The certification to be filed with the Department of Labor and Industrial Relations (DLIR) and Department of Accounting and General Services; and
- (3) The project owner to submit certified payrolls weekly to the governmental agency that will be using the project.

The Hawaii Carpenters Union testified in support of this bill. DLIR opposed this measure. The County of Hawaii Office of Housing and Community Development provided comments.

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

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

Signed by all members of the Committee except Representatives Carroll, Har, Mizuno and Ward.

**SCRep. 928 Finance on H.B. No. 1292**

The purpose of this bill is to enable the Employees' Retirement System (ERS) to maintain its status as a tax-qualified retirement plan by complying with the Internal Revenue Code. Among other things, this bill:

- (1) Prohibits elective officers and judges from terminating their ERS membership upon reaching the statutory cap on retirement benefits even though they remain in office and delay receipt of the benefits until a future separation date;
- (2) Prohibits elective officers from joining the ERS at any time during their term of office; and
- (3) Requires elective officers to exercise a one-time, irrevocable option to join the ERS when they are elected.

ERS, Department of Budget and Finance, Department of the Attorney General, Office of Hawaiian Affairs, and Hawaii State Teachers Association testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1292, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 929 Finance on H.B. No. 831**

The purpose of this bill is to fund transportation costs associated with transporting the body of a World War II New Filipino Scout to the Philippines by authorizing the Office of Veterans' Services, at the request of a deceased World War II New Filipino Scout's survivor or an interested party, to receive, review, and, as appropriate, approve requests for payments for:

- (1) Providing funeral and burial services for a New Filipino Scout who died after June 30, 1994; and
- (2) Transporting the remains of a New Filipino Scout to the Philippines.

The Asian American Network for Cancer Awareness Research and Training, Nursing, Advocates, & Mentors, Inc., Philippine Nurses Association – Hawaii, Filipino Coalition for Solidarity, United Filipino Council of Hawaii, and Oahu Filipino Community Council supported this bill. The Office of Veterans Services and Advisory Board on Veterans Services supported the intent of this measure. The Representative from the 7<sup>th</sup> Representative District provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to facilitate 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. 831, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 831, H.D. 2.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 930 Finance on H.B. No. 457**

The purpose of this bill is to support the expansion of parent-child interaction programs at state correctional facilities by appropriating funds to:

- (1) Expand parent-child interaction programs such as the Supporting Keiki of Incarcerated Parents (SKIP) Program to state correctional facilities statewide;
- (2) Collect demographic data on the children of incarcerated parents; and
- (3) Conduct an independent review of parent-child interaction programs.

The Kauai Intake Service Center of the Department of Public Safety, the Office of Hawaiian Affairs, SKIP Partnership, Community Alliance on Prisons, Child and Family Service, Keiki O Ka Aina Family Learning Centers, Hawaii Youth Services Network, and several concerned individuals testified in support of this bill. The Department of Public Safety 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 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. 457, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 457, H.D. 2.

Signed by all members of the Committee except Representative Awana.

**SCRep. 931 Finance on H.B. No. 1402**

The purpose of this bill is to support the correctional industries program (Program) by removing the limit on the number of temporary exempt positions for the Program in any fiscal year.

The Department of Public Safety supported this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1402, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1402, H.D. 2.

Signed by all members of the Committee except Representative Awana.

**SCRep. 932 Finance on H.B. No. 1403**

The purpose of this bill is to improve the operations and effectiveness of the Hawaii Paroling Authority (Authority) by converting the two part-time positions in the Authority to full-time positions.

The Authority supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts for the full-time positions to unspecified amounts;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1403, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1403, H.D. 2.

Signed by all members of the Committee except Representative Awana.

**SCRep. 933 Finance on H.B. No. 1440**

The purpose of this bill is to clarify the jurisdictional authority of the Office of the Ombudsman when investigating the contractual acts of any correctional facility with which the Department of Public Safety (DPS) has contracted to hold persons committed to the custody of the Director of Public Safety.

The Community Alliance on Prisons, Ke Kahua Pa‘a, and an individual testified in support of this bill. DPS opposed this measure. The Office of the Ombudsman (Ombudsman) submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Allowing the Ombudsman to notify DPS or the contracted facility directly of the intention to investigate a complaint rather than requiring the Ombudsman to work through DPS; and
- (2) Changing the effective date to July 1, 2020, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1440, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1440, H.D. 3.

Signed by all members of the Committee except Representative Awana.

**SCRep. 934 Finance on H.B. No. 750**

The purpose of this bill is to allow the Office of the Ombudsman (Ombudsman) to more effectively carry out its investigative duties by authorizing the Ombudsman or an authorized representative to access tax returns and return information in connection with the Ombudsman's official duties, including the investigation of the administrative acts of agencies.

The Ombudsman supported this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Removing the reference to authorized representatives of the Ombudsman and, instead, specifying that employees of the Ombudsman are authorized to access tax returns and return information;
- (2) Narrowing the scope of the Ombudsman's authority to access tax returns solely to a complainant's tax returns and return information after the complainant has provided written consent; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 750, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 750, H.D. 1.

Signed by all members of the Committee except Representative Awana.

**SCRep. 935 Finance on H.B. No. 155**

The purpose of this bill is to provide an environmentally-friendly strategy for the lighting of Hawaii's streets, highways, and harbors. Specifically, this bill establishes that, to the extent practicable, in the event that regulations or standards relating to outdoor lighting on airport facilities, harbors, or highways conflict with county ordinances or other regulations, the more stringent requirement or standard to reduce bright sources of light in the night sky shall govern all new installations.

The University of Hawaii, a member of the Maui County Council, and Sierra Club, Hawaii Chapter, supported this bill. The Department of Transportation supported the intent of 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 155, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 155, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 936 Finance on H.B. No. 277**

The purpose of this bill is to ensure fiscal accountability in the process for issuing parking placards for persons with disabilities by requiring the counties to deposit all fees collected for the issuance of temporary or replacement placards into the State general fund.

The Disabilities and Communication Access Board, Department of Customer Services of the City and County of Honolulu, and two concerned individuals 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. 277, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 277, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 937 Finance on H.B. No. 351**

The purpose of this bill is to improve driver and pedestrian traffic safety by:

- (1) Establishing a Photo Red Light Imaging Detector System Program (Program) to improve enforcement of the traffic signal laws;
- (2) Allowing counties to implement the Program;
- (3) Revising fines collected under county Programs to be deposited into a Photo Red Light Imaging Detector System Program Account (Account) within the general fund;
- (4) Requiring funds from the Account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of the Program; and
- (5) Increasing the time to seventy-two hours by which a citation must be mailed to the registered owner of a vehicle that used the high occupancy vehicle lane illegally.

The Downtown Neighborhood Board No. 13, Hawaii Insurers Council, State Farm Mutual Automobile Insurance Company, Mothers Against Drunk Driving – Hawaii, and Hawaii Bicycling League supported this bill. Catrala – Hawaii, Avis Rent A Car, Dollar Rent A Car, and Thrifty Car Rental supported this measure with amendments. The Department of Transportation and Department of Transportation Services of the City and County of Honolulu supported the intent of this bill. Several concerned individuals opposed this measure. The Department of the Attorney General submitted comments.

Your Committee has amended this bill by:

- (1) Limiting the amount a rental car company would have to pay to \$15 if a car owned by them is fined under the Program and the company is unable to provide the name and address of the customer responsible for the violation; 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. 351, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 351, H.D. 2.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 938 Finance on H.B. No. 357**

The purpose of this bill is to improve pedestrian safety by appropriating funds for the City and County of Honolulu to establish a two year pilot project to test crosswalk safety enhancements and programs.

The Department of Transportation testified in support of this bill. The Policy Advisory Board for Elder Affairs offered 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. 357, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 357, H.D. 2.

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

**SCRep. 939 Finance on H.B. No. 497**

The purpose of this bill is to improve Hawaii's bikeway system by earmarking at least two percent of federally eligible moneys from the State Highway Fund for bikeways, bike paths, and bike lanes and specifying the elements of their development and maintenance.

The Hawaii Bicycling League, Kokua Kalihi Valley, Kokua Hawaii Foundation, and numerous individuals testified in support of this bill. The Department of Transportation and Department of Transportation Services of the City and County of Honolulu supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 497, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 497, H.D. 2.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 940 Finance on H.B. No. 657**

The purpose of this bill is to ease the strain placed on facilities used to store abandoned vehicles by allowing public auction requirements to be waived under certain conditions.

The Department of Customer Services of the City and County of Honolulu 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. 657, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 657, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 941 Consumer Protection & Commerce on H.B. No. 937**

The purpose of this bill is to ensure that electricians have a thorough and adequate knowledge of electricity by specifying increased educational requirements for electricians.

The American Society of Safety Engineers-Hawaii Chapter, Hawaii Electricians Training Fund, International Brotherhood of Electrical Workers, Cedric D.O. Chong & Associates, Incorporated, and an individual testified in support of this bill. The Board of Electricians and Plumbers, Plumbers and Fitters Local 675 United Association, T.M.C. General Contracting Inc., and several individuals testified in opposition to this bill.

While many concerns were raised by plumbers and contractors regarding the effect of increasing educational requirements for electricians would have on their trade and businesses, your Committee notes that electrical work is complex and requires numerous years of education and training. Your Committee finds that this matter deserves further discussion and has thus amended this measure by changing its effective date to July 1, 2020.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 937, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 937, H.D. 2.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen. (Representatives Ito, Souki and Marumoto voted no.)

**SCRep. 942 Consumer Protection & Commerce on H.B. No. 936**

The purpose of this bill is to expand the availability and selection of gift certificates in the marketplace while protecting consumers against deceptive service fees by:

- (1) Allowing certificate issuers to charge service fees, except for back-end service fees for dormancy or inactivity during the first 24 months after the certificate or card was issued; and
- (2) Requiring certificate issuers to disclose the existence, timing, and amount of any initial issuance fees, back-end service fees, and replacement fees.

VISA U.S.A., Inc., and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Food Industry Association, and Retail Merchants of Hawaii opposed this measure.

Your Committee has amended this measure by:

- (1) Prohibiting certificate issuers from charging an issuance fee for a certificate upon purchase; and
- (2) Amending the definitions of "certificate issuer" and "issuer" to clarify that the terms include entities that issue electronic cards with a banked dollar value.

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. 936, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 936, H.D. 2.

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

**SCRep. 943 Consumer Protection & Commerce on H.B. No. 1646**

The purpose of this bill is to protect the health and safety of consumers, as well as the environment by:

- (1) Requiring retailers who sell pesticides in Hawaii to post warning signs with respect to the sale of pesticides;
- (2) Requiring the pesticide warning signs to contain, at minimum:
  - (A) Information on the proper handling, storage, and disposal of all pesticides sold;
  - (B) Emergency telephone numbers to call in case of pesticide poisoning; and
  - (C) Any other information deemed by the Department of Agriculture (DOA) to be appropriate and helpful for consumers;
- (3) Requiring DOA to adopt rules regarding the posting of the warning signs; and
- (4) Allowing DOA to adopt any other rules necessary, including rules regarding the size and placement of the warning signs.

DOA and numerous individuals testified in support of this bill. The Hawaii Food Industry Association, Consumer Specialty Products Association, Legislative Information Services of Hawaii, and Retail Merchants of Hawaii testified in opposition to this measure. The Hawaii Pest Control Association and several concerned individuals submitted comments.

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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1646, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1646, H.D. 2.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 944 Finance on H.B. No. 162**

The purpose of this bill is to make technical amendments to section 37-46, Hawaii Revised Statutes, regarding the transfer of nongeneral funds to general funds.

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that deletes the contents of this bill and inserts new provisions that comply with federal eligibility requirements for federal welfare and child support enforcement program funding. Your Committee had amended the bill as proposed, to provide the authority for the Child Support Enforcement Agency to impose an annual \$25 fee in those cases where no public assistance has been paid to the custodial parent and the collection for the case exceeds \$500.

The Department of the Attorney General supported this bill as amended.

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

Signed by all members of the Committee.

**SCRep. 945 Finance on H.B. No. 310**

The purpose of this bill is to facilitate the development and implementation of a state-owned, high-speed wireless Internet system by:

- (1) Establishing the temporary Hawaii statewide wireless access task force (Task Force) to evaluate and report on the feasibility of the State's developing, implementing, and operating a network to provide high-speed wireless Internet access statewide; and
- (2) Requiring the Auditor, after reviewing the Task Force's report, to prepare a Hawaii statewide wireless access plan for the development of a state-owned, high-speed wireless Internet broadband system.

The Honolulu Police Department supported this bill. Hawaiian Telecom submitted comments.

Your Committee has amended this measure by:

- (1) Broadening its scope by deleting references to "wireless" access and systems, thereby also allowing wireline technologies to be considered in the Task Force's report and the Auditor's plan;
- (2) Deleting the provisions specifying that the statewide, high-speed Internet access system considered in this bill be state-operated or state-owned;
- (3) Adding a representative of the incumbent local exchange carrier to the Task Force's membership; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 310, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 310, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 946 Finance on H.B. No. 501**

The purpose of this bill is to provide tax relief to low-income individuals by increasing the Low-income Refundable Tax Credit.

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

Your Committee has amended this bill by removing specific credit per exemption dollar amounts 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. 501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 501, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 947 Finance on H.B. No. 502**

The purpose of this bill is to assist Hawaii's taxpayers by increasing the personal tax exemption in 2007, 2008, and 2009.

The Department of Taxation supported the intent of this bill. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this bill by changing, to an unspecified amount, the amount of the personal tax exemption for 2007, 2008, and 2009, and thereafter.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 502, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 948 Finance on H.B. No. 707**

The purpose of this bill is to reduce the tax burden on Hawaii's taxpayers by establishing a refundable food tax credit for those with an adjusted gross income (AGI) of \$70,000 or less per year. Under this inversely graduated tax credit schedule, a taxpayer with an AGI of \$17,500 or less can claim a tax credit of \$300 while a taxpayer with an AGI between \$50,001 and \$70,000 can claim \$75.

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) Deleting the amount of the tax credit in each category to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 707, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 949 Finance on H.B. No. 881**

The purpose of this bill is to assist Hawaii's taxpayers by basing the assessment of tax rates and the computations of the standard deductions and personal exemptions on inflation.

The Department of Taxation testified in support of the intent of this bill. The Tax Foundation of Hawaii submitted comments on 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. 881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 881, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 950 Finance on H.B. No. 1226**

The purpose of this bill is to appropriate emergency funding for electricity payments for the Department of Accounting and General Services (DAGS) managed facilities statewide.

Pursuant to the requirements set forth in Article VII, section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 230 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$626,000 for fiscal year 2006-2007, to be expended by DAGS.

DAGS supported this bill.

Your Committee has amended this bill by adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1226, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 951 Finance on H.B. No. 1227**

The purpose of this bill is to cover unanticipated increases in property insurance premiums and deductibles by:

- (1) Making an emergency appropriation of \$800,000 in general funds to the State Risk Management Revolving Fund (Fund) for fiscal year 2006-2007;
- (2) Transferring \$2,926,000 in department and agency special funds to the Fund in fiscal year 2006-2007; and
- (3) Increasing the Fund's spending ceiling by \$3,000,000 to \$21,450,000.

Pursuant to the requirements set forth in Article VII, section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 231 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

The appropriation is to be expended by the Department of Accounting and General Services (DAGS).

DAGS supported this bill.

Your Committee has amended this bill by:

- (1) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements; 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. 1227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1227, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 952 Finance on H.B. No. 1411**

The purpose of this bill is to amend Hawaii's income tax law to conform with changes to the Internal Revenue Code.

The Department of Taxation supported this bill. The Tax Foundation of Hawaii submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1411, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1411, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 953 Finance on H.B. No. 1799**

The purpose of this bill is to provide tax relief through an earned income tax credit equal to 20 percent of the federal earned income credit.

The Hawaii Alliance for Community-Based Economic Development, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, ILWU Local 142, National Association of Social Workers, Welfare and Employment Rights Coalition, Hawaii Homeownership Center, 3Point, and several concerned individuals testified in support of this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Leaving blank the percentage of the federal earned income credit upon which the state credit is based; 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. 1799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1799, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 954 Finance on H.B. No. 1943**

The purpose of this bill is to cover unanticipated expenses of the Deposit Beverage Container Program (Program) because the number of deposit beverage containers actually sold will quickly exceed estimates of two years ago, which will increase program costs.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 241 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$10,000,000 for fiscal year 2006-2007 from the Deposit Beverage Container Deposit Special Fund to be used to:

- (1) Reimburse deposit beverage container refund values;

- (2) Pay handling fees to redemption centers; and
- (3) Pay for operating costs of the Program for deposit beverage container activities.

The appropriation is to be expended by the Department of Health (DOH).

DOH supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1943, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 955 Finance on H.B. No. 1658**

The purpose of this bill is to develop a test to detect hepatitis by encouraging contributions for medical research through a nonrefundable tax credit.

This bill establishes the Antara Medical Trust Fund (Fund) to support medical research to develop a commercially marketable diagnostic test for hepatitis. Contributors to the Fund can claim a nonrefundable tax credit equal to a percentage of their contributions to the Fund. If the diagnostic test proves successful and is commercially viable, a percentage of the commercial sales of the product will be earmarked to the Department of Health (DOH) for health care services and programs for low income and rural area residents.

Eurus Genomics, Inc., and Antara BioSciences, Inc., testified in support of this bill. DOH and the Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1658, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee. (Representatives Belatti and Hanohano voted no.)

**SCRep. 956 Finance on H.B. No. 1756**

The purpose of this bill is to help nonprofit organizations secure grant funds and perform capital improvements for programs that provide substantial community benefits by providing an exemption to nonprofit corporations from the 15-year limit on the grant of county concessions or concession space.

The Chairman and a member of the Maui County 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. 1756 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 957 Finance on H.B. No. 1434**

The purpose of this bill is to provide for an income tax credit, to be multiplied by the number of the taxpayer's qualified exemptions, to every resident, individual taxpayer of the state to satisfy constitutionally mandated requirements.

The Department of Taxation supported the intent of this bill. The Hawaii Government Employees Association opposed this measure. 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. 1434 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 958 Finance on H.B. No. 238**

The purpose of this bill is to increase the withholding tax amount, from five percent to eight and one-quarter percent, on the disposition of real property by a non-resident seller.

The Hawaii Association of REALTORS and Wyndham Vacation Ownership, Inc., opposed this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 238 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 959 Judiciary/Legislative Management on H.B. No. 1909**

The purpose of this bill is to strengthen public confidence in elected officials as well as public officers and employees by:

- (1) Requiring each house of the Legislature to establish a bipartisan ethics committee to review ethics issues, approve official travel paid for by nongovernmental entities, and require additional public disclosures by members and, if necessary, legislative employees; and



- (2) Establishing additional ethics requirements and standards for elected officials and state officials and employees.

The State Ethics Commission and a concerned individual testified in support of this bill. The League of Women Voters of Hawaii supported the intent of this bill.

Your Committees have amended this bill by:

- (1) Removing the provisions establishing additional ethics requirements and standards for elected officials and state officials and employees;
- (2) Renaming the legislative ethics committees, "legislative standards of conduct committees" (Committees);
- (3) Removing specific Committee membership provisions and providing that the Speaker of the House of Representatives and the President of the Senate are to chair their respective Committees;
- (4) Allowing charges of ethics violations by a legislator to be filed with a Committee;
- (5) Establishing a procedure by which charges are forwarded to the State Ethics Commission (Commission) for resolution by the Commission, or if determined to be outside the Commission's jurisdiction, returned to the Committee; and
- (6) For charges returned from the Commission, requiring the Committee to file a complaint against a legislator if there is sufficient cause, determine whether disciplinary action is warranted, and if so, report its decision to the legislative body.

Your Committee finds that establishing a permanent, internal mechanism to oversee the conduct of legislators will encourage elected officials to avoid not only conflicts of interest that violate the State Ethics Code, but also any appearance of conflict between their public and private duties. Your Committee intends that the membership of the standards of conduct committees established by this bill reflect a balanced membership that takes action only by majority vote of its members.

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. 1909, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1909, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 960 Finance on H.B. No. 110**

The purpose of this bill is to increase the availability of student housing at the University of Hawaii at Manoa by appropriating an unspecified amount of funds for the University of Hawaii to fund the development of on-campus and nearby student housing, which may include:

- (1) Acquisition or leasing of property;
- (2) Construction of new housing;
- (3) Renovation and repair of existing housing; and
- (4) Conversion of facilities not originally intended for housing through the use of alternatives that are approved by the Board of Regents.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 110, 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 Representatives Carroll and Ward.

**SCRep. 961 Judiciary on H.B. No. 1152**

The purpose of the bill is to expand the scope of the repeat offender statute to include certain felonies that were recently enacted or amended.

The Department of the Attorney General and the Department of the Prosecuting Attorney for the City and County of Honolulu testified in support of this bill. The American Civil Liberties Union and a concerned individual opposed this measure.

Prior to the hearing for this bill, your Committee considered a proposed House Draft relating to amendments to extended sentencing provisions. Your Committee received testimony in support of the proposed measure from the Department of the Attorney General and the Department of the Prosecuting Attorney for the City and County of Honolulu. The Office of the Public Defender and the American Civil Liberties Union opposed that part of the measure requiring an extended term of imprisonment for defendants that meet the criteria for such sentencing. Community Alliance on Prisons submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the contents and inserting provisions requiring a jury to find beyond a reasonable doubt that a defendant meets the criteria for an extended term of imprisonment; and
- (2) Inserting an effective date of January 1, 2112, 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. 1152, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Green, Ito, Luke, Morita and Thielen.  
(Representatives Sonson and Souki voted no.)

**SCRep. 962 Finance on H.B. No. 840**

The purpose of this bill is to expand the Renewable Energy Technologies Tax Credit to include fuel cell systems.

The Department of Taxation, Life of the Land, and Plug Power offered comments.

Your Committee has amended this bill by:

- (1) Leaving blank the percentages of the actual cost or maximum amount per unit that may be claimed for the tax credit;

- (2) Changing the effective date to January 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. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 840, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 963 Finance on H.B. No. 1171**

The purpose of this bill is to make permanent the authorization of state and county departments and agencies to provide government service through contracts with private entities.

The Mayor of the County of Maui, Director of Finance of the County of Maui, Director of Personnel Services of the County of Maui, Director of Human Resources of the County of Hawaii, Director of Finance of the County of Hawaii, Director of Environmental Management of the County of Hawaii, Director of Human Resources of the City and County of Honolulu, Ka Lima O Maui, Imua Family Services, Representative of the 11<sup>th</sup> Representative District, and a concerned individual supported this bill. The Hawaii Government Employees Association and United Public Workers AFSCME, Local 646, AFL-CIO opposed this measure.

Your Committee has amended this bill by replacing its contents with provisions that exempt the counties of Hawaii, Maui, and Kauai from civil service laws relating to positions or contracts with private persons or entities for personal services lasting no more than one year and at an unspecified cost.

Your Committee has further amended this bill by:

- (1) Changing the effective date to July 1, 2007; 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. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1171, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 964 Consumer Protection & Commerce on H.B. No. 1339**

The purpose of this bill is to ensure an adequate number of qualified contractors in the state to assist in and expedite rebuilding efforts in the aftermath of a disaster and state of emergency duly declared by the Governor by authorizing the Contractors License Board (Board) to issue emergency contractor's licenses to eligible out-of-state contractors.

The Department of Defense, Subcontractors Association of Hawaii, and State Farm Insurance Companies supported this bill. The Board opposed this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 965 Consumer Protection & Commerce on H.B. No. 1577**

The purpose of this bill is to maintain the unique brand identity and market value of Kona coffee by prohibiting the introduction of genetically modified coffee in the Hawaii market while, at the same time, permitting research on genetically modified coffee in an environmentally secure facility.

The Sierra Club – Hawaii Chapter, Hawaii Coffee Association, Concerned Citizens Against Genetically Engineered Foods, Concerned Citizens Against Pesticide Use, Center For Food Safety, and numerous concerned individuals supported this bill. Hawaii SEED, supported this measure with amendments. The Department of Agriculture, University of Hawaii, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Tropical Hawaiian Products, Hawaii Science and Technology Council, Integrated Coffee Technologies, Inc., Hawaii Crop Improvement Association, Dole Food Company Hawaii, Hawaii Coffee Growers Association, Coffees of Hawaii, and several concerned individuals opposed this bill. Several concerned individuals submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1577, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 966 Consumer Protection & Commerce on H.B. No. 1479**

The purpose of this bill is to achieve parity for part-time workers and sole proprietors without employees who seek group health insurance by providing part-time workers, self-employed workers, and sole proprietors without employees and who are not incorporated, with access to insurance policies with benefits comparable to full-time workers. This measure also prohibits group health insurers from imposing certain eligibility requirements.

The Department of Commerce and Consumer Affairs and Hawaii Association of REALTORS testified in support of this bill. The Hawaii Association of Health Plans opposed this measure. The Hawaii Medical Service Association and Kaiser Permanente provided comments.

Your Committee has amended this bill by:

- (1) Adding definitions of "qualifying event" and "self-employed individual" and restoring the original definitions of "employee" and "small employer";
- (2) Removing the provisions that would have prohibited group health issuers from imposing certain eligibility requirements;
- (3) Adding provisions that require group health insurers to offer small group health plans to certain self-employed individuals;
- (4) Imposing enrollment periods;
- (5) Removing the provisions pertaining to mandatory coverage for self-employed individuals;

- (6) Changing the effective date to September 1, 2007, with a repeal date of September 30, 2010; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1479, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1479, H.D. 2.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 967 Consumer Protection & Commerce on H.B. No. 1641**

The purpose of this bill is to ensure the safe dispensing and use of pesticides by prohibiting the sale of restricted use pesticides by a pesticide dealer to a certified pest control applicator or certified structural pest control applicator unless the persons are employed or supervised by a pest control operator validly licensed under Chapter 460J, Hawaii Revised Statutes, (Pest Control Operators Law).

The Department of Agriculture and Hawaii Pest Control Association supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1641, H.D. 2.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 968 Consumer Protection & Commerce/Judiciary on H.B. No. 469**

The purpose of this bill is to provide equal opportunities to housing by prohibiting discrimination in real property transactions based on one's status as a victim of domestic violence.

The Hawaii Civil Rights Commission, Legal Aid Society of Hawaii, Hawaii State Commission on the Status of Women, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and a concerned individual testified in support of this bill. The Hawaii Chapter of the Community Associations Institute submitted comments.

This bill seeks to ensure that domestic violence victims attempting to secure and maintain housing are not further victimized by discriminatory practices in real property transactions. However, your Committees recognize that the interests of other stakeholders, such as landowners or neighbors of properties where domestic violence might occur, must also be considered.

Accordingly, your Committees have amended this measure by:

- (1) Amending the new definition of "victim of domestic violence", as follows:
  - (A) Specifying that a felony or misdemeanor crime of violence committed against a person deemed to be a victim of domestic violence must have been committed within the past three years;
  - (B) Providing that a person obtaining a current valid temporary restraining order (TRO) or protective order (PO) is not deemed a victim of domestic violence if the person:
    - (i) Aids and abets the subject perpetrator in a course of action;
    - (ii) Does not comply with the intent of the TRO or PO; or
    - (iii) Does not report to or seek the assistance of law enforcement,
 and thereby causes the person's neighbors to fear for their safety or sustain property damage or suffer substantial emotional distress.
- (2) Replacing the definition of "stalking" with a reference to the offense of harassment by stalking under section 711-1106.5, Hawaii Revised Statutes;
- (3) Prohibiting discrimination against victims of domestic violence in real estate transactions, while allowing:
  - (A) Reasonable restrictions or prohibitions against excessive noise or other problems caused by perpetrators of domestic violence; and
  - (B) The requirement that a victim of domestic violence obtain insurance, surety bonds, or other financial security against property damage or other losses sustained by the landowner or neighboring tenants or landowners caused by future acts of domestic violence;
- (4) Changing the effective date to June 30, 2009, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity 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. 469, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 469, H.D. 1.

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

**SCRep. 969 Judiciary on H.B. No. 1750**

The purpose of this bill is to increase the number of individuals eligible for state and county employment by removing the requirement that applicants for state and county positions reside in the state at the time of their application for the position.

The Department of Education and American Civil Liberties Union of Hawaii testified in support of this bill. The Judiciary supported this measure with amendments. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, 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. 1750, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1750, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 970 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 1950**

The purpose of this bill is to allow the county legislative bodies and the Land Use Commission (LUC) an opportunity to more thoroughly consider proposed plans for certain types of government housing development projects and boundary amendments, respectively, by:

- (1) Reinserting the provision allowing county legislative bodies to modify projects that was inadvertently omitted during the recodification of Chapter 201H, Hawaii Revised Statutes; and
- (2) Increasing from 45 to 90 days the time the county legislative body and LUC have to approve or disapprove affordable housing projects and boundary amendments, respectively.

The Maui County Council and a concerned individual testified in support of this bill. The Hawaii Housing Finance and Development Corporation, Department of Community Services of the City and County of Honolulu, and the Office of Housing and Community Development of the County of Hawaii opposed this measure.

Your Committee finds that while more time is needed for the county legislative bodies and the LUC to meaningfully discuss proposed projects, lengthy delays in obtaining approvals may add costs for the developers. Therefore, your Committee has amended this bill by changing the number of days the legislative body of the county or LUC is allowed to approve a proposed affordable housing project to an unspecified number of days, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1950, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1950, H.D. 1.

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

**SCRep. 971 Finance on H.B. No. 504**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$25,000,000, to assist Le Jardin Academy in financing the construction, improvement, and equipping of its educational facilities in the State of Hawaii.

Le Jardin Academy and the Hawaii Association of Independent Schools 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. 504 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 972 Finance on H.B. No. 31**

The purpose of this bill is to prohibit the binding of the State to the government procurement rules of an international trade agreement, unless explicitly authorized by the Legislature.

The Hawaii Government Employees Association, AFSCME Local 152, 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. 31, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 973 Finance on H.B. No. 1290**

The purpose of this bill is to clarify which beneficiaries of an employee killed in the performance of duty or of a deceased retiree are eligible to become members of the Employer-Union Health Benefits Trust Fund (EUTF).

The Department of Budget and Finance and EUTF Board of Trustees 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. 1290 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 974 Finance on H.B. No. 1294**

The purpose of this bill is to provide for better management of the Employer-Union Health Benefits Trust Fund (EUTF) by providing an appropriate, cost-neutral adjustment of the base monthly contributions for retiree benefit plans, in the event that the EUTF Board of Trustees adopts a revised rate structure for its retiree benefit plans.

The Hawaii EUTF and Department of Budget and Finance testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1294 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 975 Finance on H.B. No. 1746**

The purpose of this bill is to allow an additional five years to evaluate the effectiveness of establishing voluntary employees' beneficiary association (VEBA) trusts as a health care cost-containment measure in providing health benefits for state and county employees of a particular bargaining unit as well as future and existing retirees. This bill also requires reports to the Legislature on the establishment of VEBA trusts after two full years of implementation and annually thereafter.

The Hawaii State Teachers Association (HSTA), HSTA VEBA Trust, and concerned individuals testified in support of this bill. The Department of Budget and Finance, Hawaii Government Employees Association Retirees Unit, and a concerned individual offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 976 Finance on H.B. No. 14**

The purpose of this bill is to repeal the transfer of functions from the Department of Budget and Finance (B&F) to the Department of Education (DOE) as specified in Act 51, Session Laws of Hawaii 2004, as amended, as the two departments have improved the fiscal processes between them.

DOE, B&F, and the Hawaii Government Employees Association 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. 14, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 14, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 977 Finance on H.B. No. 15**

The purpose of this bill is to fund special education teaching programs by creating the Felix Stipend Revolving Fund into which shall be deposited moneys received as repayment from students who have breached their contractual agreements under the Felix Stipend Program.

The Department of Education and University of Hawaii testified in support of this bill. The Department of Budget and Finance opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 15, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 15, H.D. 2.

Signed by all members of the Committee except Representatives Sagum, Tokioka, Awana and Meyer.

**SCRep. 978 Finance on H.B. No. 17**

The purpose of this bill is to:

- (1) Provide more time for the collection and analysis of data regarding the weighted student formula (WSF); and
- (2) Provide school communities with a more stable funding basis from which to plan and implement school operations,

by requiring the Committee on Weights (COW) to meet not less than biannually, every odd-numbered year, rather than annually, to review and make any necessary changes to the WSF.

The Department of Education testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. The Hawaii State Teachers Association opposed this bill.

Your Committee would like to clarify that the intent of the bill is to extend the amount of time between required reviews and subsequent adoption of the WSF: COW shall meet at least once in every odd-numbered year to review the WSF, and the Board of Education shall meet at least once in every odd-numbered year to adopt the WSF based on the recommendations from COW. Accordingly, your Committee has amended this bill by changing all instances of the term "biannual" to "biennial", which is more clearly defined as "once every two years."

Your Committee has further amended this bill by making other 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. 17, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 17, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 979 Finance on H.B. No. 19**

The purpose of this bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education by:

- (1) Providing for the timely construction, expansion, consolidation, or closure of public schools in Hawaii through an objective and transparent process that:
    - (1) [sic] Establishes a Facilities Alignment Commission (Commission) that will:
      - (A) Provide criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
      - (B) Recommend a list of areas for school construction, expansion, consolidation, or closure, subject to the review of the legislature;
- and

- (2) Directs the Board of Education to begin the process of constructing, expanding, consolidating, or closing schools according to the recommendations of the Commission.

The Land Use Research Foundation of Hawaii and Economic Momentum Commission supported this bill. The Department of Education 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 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. 19, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 19, H.D. 2.

Signed by all members of the Committee except Representatives Sagum, Tokioka, Awana and Meyer.

**SCRep. 980 Finance on H.B. No. 23**

The purpose of this bill is to ensure the safety and welfare of children enrolled in the public school system and those users of the public library system by:

- (1) Authorizing the Department of Education (DOE) to perform criminal history record checks on any employee, provider, or subcontractor that enters or intends to enter into a contract with or is currently contracted by DOE to provide services in close proximity to children;  
 (2) Removing teacher trainees from the group of persons subject to DOE criminal history record checks; and  
 (3) Appropriating funds to allow DOE to conduct criminal history record checks on providers and subcontractors.

The University of Hawaii and DOE supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Removing specific appropriation amounts to facilitate 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. 23, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 23, H.D. 3.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 981 Finance on H.B. No. 564**

The purpose of this bill is to provide more flexibility to teachers to purchase school supplies and other related curriculum support supplies by allowing the principal of each public school to establish and use a debit card system.

The Representative of the 27<sup>th</sup> District testified in support of this bill. The Hawaii State Teachers Association supported the intent of this measure. The Department of Education opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 564, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 564, H.D. 1.

Signed by all members of the Committee except Representatives Sagum, Tokioka, Awana and Meyer.

**SCRep. 982 Finance on H.B. No. 598**

The purpose of this bill is to enhance the learning experiences of students across the state by establishing the Online Learning Task Force (Task Force) to develop a systematic plan to expand opportunities for online learning.

The Department of Education testified in support of this bill.

Your Committee has amended this bill by:

- (1) Terminating the task force on June 30, 2008;  
 (2) Changing the effective date to July 1, 2020, to encourage further discussion; and  
 (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 598, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 598, H.D. 1.

Signed by all members of the Committee except Representatives Sagum, Tokioka, Awana and Meyer.

**SCRep. 983 Finance on H.B. No. 1630**

The purpose of this bill is to prepare students for the information technology age by providing a comprehensive project-based and student-centered learning program in which students are responsible for their own learning. Specifically, this bill appropriates funds to be deposited into the Hawaii 3Ts School Technology Laboratories Fund to maintain the Project EAST Program (Program) in existing schools, and expand the Program to schools statewide.

The Department of Business, Economic Development, and Tourism, High Technology Development Corporation, the Office of Economic Development of the County of Kauai, a member of the Maui County Council, Hawaii State Teachers Association, Economic Development Alliance of Hawaii, Kauai Economic Development Board, Inc., Hoike Technology, Trex Hawaii, LLC, Advanced Materials, Maui Economic Development Board, Inc., General Dynamics Advanced Information Systems, and numerous concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount to encourage further discussion;
- (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. 1630, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1630, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Sagum, Tokioka, Awana and Meyer.

**SCRep. 984 Finance on H.B. No. 473**

The purpose of this bill is to assist individuals in achieving self-sufficiency by appropriating funds to the Bridge To Hope Program (Program) to accommodate new Temporary Assistance for Needy Families First-to-Work students to enable them to pursue educational activities beyond the new two-year federal limit.

The University of Hawaii, Bridge To Hope Program, Hawaii State Commission on the Status of Women, National Association of Social Workers Hawaii Chapter, and numerous concerned individuals testified in support of this bill. The Department of Human Services supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the Program is created for heads of households receiving financial assistance and participating in the first-to-work programs;
- (2) Specifying that to receive assistance under the Program, the parent must be enrolled as a student each term in an approved course of study, not limited to vocational education; 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. 473, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 473, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 985 Finance on H.B. No. 30**

The purpose of this bill is to protect Hawaii's interests in international trade agreements by:

- (1) Establishing a joint legislative committee to consider international trade agreements (Joint Committee); and
- (2) Prohibiting the Governor from entering into any trade agreement without approval of:
  - (A) The Legislature, through concurrent resolution adopted by a majority vote of the Senate and House of Representatives; or
  - (B) The Joint Committee, when the Legislature is not in session.

The Hawaii Government Employees Association and ILWU Local 142 supported this bill. The Hawaii State AFL-CIO supported the intent of this measure.

Your Committee has amended this measure by deleting its contents and inserting the provisions of H.B. No. 30, as introduced. As amended, this measure, among other things:

- (1) Requires legislative consent prior to binding the State to an international trade agreement;
- (2) Creates legislative points of contact to serve as liaisons between the Legislature, the Governor, and the federal government on trade-related matters;
- (3) Establishes the Office of Trade Enforcement to, among other things, monitor, analyze, and assess trade; and
- (4) Establishes the Citizens' Commission on Globalization to, among other things, make policy recommendations to the Governor, the Legislature, members of Hawaii's Congressional delegation, and the United States trade negotiators.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 30, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 30, H.D. 2.

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

**SCRep. 986 Finance on H.B. No. 1547**

The purpose of this bill is to support international relations in Hawaii by:

- (1) Establishing a Legislative Protocol Fund (Fund);
- (2) Clarifying the purposes of the Office of International Affairs (Office) and appropriating funds to hire personnel for the Office; and
- (3) Appropriating funds to bring the Second International Symposium on Freeway and Tollway Operations to Hawaii in 2009 and to begin preliminary planning for the conference.

The Governor, Department of Business, Economic Development, and Tourism, University of Hawaii at Manoa Center for Chinese Studies, East-West Center, Economic Development Alliance of Hawaii, Pugwash Conferences on Science and World Affairs, Papa Ola Lokahi, and several concerned individuals testified in support of this bill. The University of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to an unspecified amount to encourage further discussion;
- (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. 1547, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1547, H.D. 3.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 987 Finance on H.B. No. 1379**

The purpose of this bill is to conform State Unemployment Insurance (UI) law to federal law by:

- (1) Excluding services by certain temporary migrant agricultural workers who are residents of foreign countries from the employment security law; and
- (2) Treating Indian tribes similarly to government and nonprofit groups when providing coverage under the employment security law.

The Department of Labor and Industrial Relations, Department of Agriculture, 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, 2007, to encourage continued 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. 1379, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1379, H.D. 1.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 988 Finance on H.B. No. 1493**

The purpose of this bill is to ensure proper staffing of the Crime Victim Compensation Commission (Commission) by:

- (1) Exempting Commission staff from civil service requirements; and
- (2) Allowing Commission staff to maintain their right to collective bargaining.

The Commission supported this bill with an amendment.

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. 1493, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1493, H.D. 2.

Signed by all members of the Committee.

**SCRep. 989 Finance on H.B. No. 1818**

The purpose of this bill is to permit the state and county government to rehire retired employees as permanent employees in critical-to-fill or labor-shortage positions, including exempt positions or positions exempt from the civil service laws, without affecting the retirement benefits of the rehired retirees.

The Judiciary, Mayor of the County of Hawaii, two Members of the Maui County Council, Maui Police Department, Department of Water of the County of Kauai, Honolulu Police Department, Hawaii Health Systems Corporation, State of Hawaii Organization of Police Officers, and Hawaii State Teachers Association testified in support of this bill. The City and County of Honolulu Department of Human Resources supported this measure with amendments. The Department of Education, County of Maui Department of Personnel Services, and County of Hawaii Department of Human Resources supported the intent of this bill. The Office of Hawaiian Affairs and Department of Human Resources Development opposed this measure. The Employees' Retirement System 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1818, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1818, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 990 Finance on H.B. No. 806**

The purpose of this bill is to improve pedestrian safety, especially for elderly persons, by requiring the Department of Transportation (DOT) to conduct a pilot study to identify state and county intersections where the time to cross the intersection is insufficient for elderly pedestrians.

The Department of Health, DOT, Policy Advisory Board for Elder Affairs, AARP Hawaii, Hawaii Bicycling Leagues, and a concerned individual supported this bill. The Department of Transportation Services of the City and County of Honolulu supported the intent of this measure.

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. 806, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 806, H.D. 2.

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

**SCRep. 991 Finance on H.B. No. 1718**

The purpose of this bill is to provide the Legislature with information regarding the impact of the cruise industry on Hawaii by requiring the Department of Business, Economic Development, and Tourism (DBEDT), in conjunction with the Department of Transportation (DOT), Department of Land and Natural Resources (DLNR), Department of Health, and the Hawaii Tourism Authority (HTA), and with input from the cruise industry, to undertake a cost-and-benefit analysis of the cruise industry in Hawaii.

DLNR, DOT, HTA, Kauai County Office of Economic Development, the Sierra Club-Hawaii Chapter, Hawaii Boaters Political Action Association, North West CruiseShip Association, and NCL America testified in support of this bill. DBEDT and Retail Merchants of Hawaii supported the intent of this measure.

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

- (1) Inserting an appropriation in an unspecified sum for the cost-and-benefit analysis; 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. 1718, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1718, H.D. 3.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 992 Finance on H.B. No. 1072**

The purpose of this bill is to address the affordable housing shortage in Hawaii by creating a Kakaako Affordable Housing Development Program and Fund in the Kakaako Community Development District to provide subsidies and other assistance for the new construction, rehabilitation, acquisition, or preservation of certain multifamily ownership housing units that are affordable in perpetuity for persons and families with incomes at or below 140 percent of the median family income.

The Office of Hawaiian Affairs testified in support of this bill. The Hawaii Community Development Authority and the Hawaii Housing Finance and Development Corporation supported the intent of this measure. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020;  
 (2) Changing the sunset date to June 30, 2025, to encourage further discussion; and  
 (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1072, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1072, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 993 Consumer Protection & Commerce on H.B. No. 1121**

The purpose of this bill is to direct the Public Utilities Commission (PUC) to require private entities that furnish water used for agricultural purposes in an area zoned for agricultural use to establish a water rate structure for qualified agricultural users by January 1, 2008.

The Mayor of Hawaii County, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and Palila Growers, LLC, supported this bill. The Department of Agriculture supported the intent of this measure. E-Scape Enterprises and a concerned individual opposed this bill. The Consumer Advocate and PUC submitted comments.

Your Committee has amended this measure by deleting the reference to the PUC and making the Board of Agriculture responsible for requiring the private entities described in this bill to establish a water rate structure for qualified agricultural users by January 1, 2008.

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. 1121, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1121, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Luke and Thielen.

**SCRep. 994 Consumer Protection & Commerce on H.B. No. 71**

The purpose of this bill is to better monitor and evaluate the quality and competency of care provided by nurse aides in Hawaii by providing for nurse aides working in state-licensed or state-certified health care settings to be certified in a manner similar to nurse aides working in Medicare or Medicaid programs.

The Department of Commerce and Consumer Affairs testified in support of this bill. The Department of Health (DOH) and Department of Human Services (DHS) supported the intent of this measure. The Healthcare Association of Hawaii and Hawaii Coalition of Care home Administrators supported this bill with amendments. The Hawaii Long Term Care Association submitted comments.

Your Committee has amended this measure by:

- (1) Amending the preamble to clarify that the purpose of this bill is to provide for, rather than require, the certification of nurse aides who work in state-licensed or state-certified health care settings;  
 (2) Providing definitions for "abuse" and "neglect", as those terms are used in the provisions requiring DOH and DHS to adopt rules for investigations of misconduct by certified nurse aides;  
 (3) Providing a definition for "state-licensed or state-certified health care settings;"

- (4) Amending recertification requirements for:
  - (A) Medicare or Medicaid nurse aides, by including in-service training; and
  - (B) Nurse aides working in state-licensed or state-certified health settings, by requiring a DOH-approved competency evaluation, rather than a recertification examination, and employment in a state-licensed or state-certified health care setting;
 and
- (5) 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 H.B. No. 71, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 71, H.D. 2.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen.

**SCRep. 995 Consumer Protection & Commerce on H.B. No. 791**

The purpose of this bill is to meet consumer needs for non-ethanol gasoline by requiring refiners to make such gasoline available to their company-operated stations and to marine fueling stations.

For purposes of the public hearing on this bill, your Committee circulated a proposed H.D. 1 and notified the public that your Committee would be accepting testimony on the proposed H.D. 1 only. The proposed H.D. 1 amended the original draft of this measure, as received by your Committee, by:

- (1) Requiring refiners, gasoline retailers, and wholesale bulk distributors to hold, store, import, transfer, and offer for sale or use:
  - (A) Premium gasoline without ethanol; and
  - (B) Mid-grade gasoline with up to six percent ethanol;
 and
- (2) Inserting a sunset date of January 1, 2013.

Several concerned individuals testified in support of the proposed H.D. 1. A concerned individual supported the intent of the proposed H.D. 1. Western States Petroleum Association, ClearFuels Technology Inc., and a concerned individual opposed the proposed H.D. 1. The Department of Business, Economic Development, and Tourism; Mayor of Hawaii County; Aloha Petroleum; and several concerned individuals submitted comments.

Upon further consideration, your Committee has amended this measure, as received by your Committee, by replacing its contents with provisions that:

- (1) Require gasoline sold in the state to have ethanol content by grade as follows:
  - (A) Premium gasoline to contain no ethanol;
  - (B) Mid-grade gasoline to contain up to ten percent ethanol; and
  - (C) Regular gasoline to contain at least ten percent ethanol;
 and
- (2) Take effect upon approval of this bill, with a sunset date of July 1, 2011.

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. 791, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 791, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Ito, Luke and Thielen.

**SCRep. 996 Consumer Protection & Commerce on H.B. No. 1456**

The purpose of this bill is to increase and improve access to therapeutic and pharmacological mental health care in rural areas of the state by allowing appropriately trained psychologists practicing in licensed health care clinics within federally designated medically underserved areas or mental health professional shortage areas to prescribe a limited array of psychotropic medications; provided that they have met all the requirements to achieve:

- (1) A conditional prescription certificate, including the completion of pharmacological training, completion of a supervised practicum, passage of a national proficiency examination, and coverage by malpractice insurance; or
- (2) A prescription certificate, including:
  - (a) Completing at least two years of prescribing psychotropic medications while holding a conditional prescription certificate; and
  - (b) Successfully having undergone an independent peer review.

The Hawaii Primary Care Association, Na Puuwai Native Hawaiian Health Care System, Hamakua Health Center, Molokai Community Health Center, Hoola Lahui Hawaii, Waikiki Health Center, Community Clinic of Maui, Hawaii Psychological Association, West Hawaii Community Health Center, Inc., Kokua Kalihi Valley, Hawaii Medical Service Association, American Psychological Association, Waianae Coast Comprehensive Health Center, Community Leaders of the Leeward Coast and Kupuna Council of Waianae Coast Comprehensive Health Center, and a large number of concerned individuals testified in support of this bill. Papa Ola Lokahi supported the intent of this measure. The Department of Health, Board of Medical Examiners, Board of Psychology, Hawaii Medical Association, National Alliance on Mental Illness-Oahu, Hawaii Psychiatric Medical Association, and a large number of concerned individuals opposed this bill. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Changing the supervisor for the practicum necessary to obtain a conditional prescriptive certificate from "licensed health care provider" to "prescribing mental health professional" to conform to the new definitions in this bill;
- (2) Changing the repeal date of this Act to July 1, 2011;
- (3) Requiring the Legislative Auditor to evaluate and report to the 2011 Legislature the effects of providing conditional prescriptive authority and prescriptive authority to psychologists on Hawaii's mental health care system, including recommendations on whether the prescriptive authority should be modified, eliminated, or continued; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1456, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1456, H.D. 2.

Signed by all members of the Committee except Representatives Green, McKelvey and Thielen. (Representatives Caldwell, Evans, Ito and Sonson voted no.)

**SCRep. 997 Finance on H.B. No. 249**

The purpose of this bill is to encourage the development of hunting tourism, particularly at private and commercial shooting preserves, by:

- (1) Allowing three-day hunting licenses to hunt on a private or commercial shooting preserve for a reduced fee of \$50; and
- (2) Exempting people who obtain three-day hunting licenses accompanied by a licensed hunting guide from the hunter education certificate requirements.

The Hawaii Rifle Association, Parker Ranch, Palawai Outfitters, and a concerned individual testified in support of this bill. Big Island Gun Dogs supported the intent of this measure. The Department of Land and Natural Resources supported this bill with amendments. Animal Rights Hawaii and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Giving the Department of Land and Natural Resources authority to set the fees for private and commercial shooting preserve and farmer's licenses; and
- (2) Providing that these fees be deposited into the Wildlife Revolving Fund,

which are provisions that were previously in effect between 1995 and 2005. Your Committee also:

- (1) Changed the license fee for three-day hunting licenses from \$50 to an unspecified sum;
- (2) Changed the effective date to July 1, 2020, to encourage further discussion; and
- (3) 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. 249, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 249, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 998 Finance on H.B. No. 250**

The purpose of this bill is to better update and improve commercial harbor infrastructure and facilities statewide by:

- (1) Authorizing the Aloha Tower Development Corporation (ATDC) to assist the Department of Transportation (DOT) in this endeavor; and
- (2) Requiring ATDC to apply any revenues derived from commercial development projects in the area seaward of Nimitz Highway between Pier 4 and the Honolulu International Airport, subject to existing contractual and statutory commitments to DOT.

DOT, ATDC, Alexander & Baldwin, Inc., Matson Navigation Company, The Chamber of Commerce of Hawaii, and Hawaii Harbor Users Group 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. 250, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 250, H.D. 2.

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

**SCRep. 999 Finance on H.B. No. 832**

The purpose of this bill is to protect Del Monte employees and retirees from losing their homes by:

- (1) Directing the Department of Accounting and General Services (DAGS) Land Survey Division to determine the boundaries of the Kunia Plantation Camp; and
- (2) Appropriating funds for the purchase of the Kunia Plantation Camp from Campbell Estate to allow the present occupants to purchase their homes.

The ILWU Local 142 testified in support of this bill. DAGS opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 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. 832, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 832, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1000 Finance on H.B. No. 844**

The purpose of this bill is to appropriate funds for the acquisition, maintenance, and planning for future recreational uses of Lake Wilson, located in Wahiawa on the island of Oahu, to preserve its utility as an agricultural irrigation asset and outdoor park and water recreation site and ensure the proper maintenance of the Wahiawa Dam.

The Dole Food Company Hawaii testified in support of this bill. The Department of Land and Natural Resources, Agribusiness Development Corporation, and Bank of Hawaii as Trustee of the trust established by the Estate of George Galbraith (deceased) 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 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. 844, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 844, H.D. 1.

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

**SCRep. 1001 Finance on H.B. No. 1028**

The purpose of this bill is to restore Hawaii's trails for the use and enjoyment of more members of the public, by:

- (1) Designating the Pi'ilani Trail (Trail) on Maui from Makena to Kapalua as an important Hawaiian coastal cultural heritage corridor; and
- (2) Appropriating funds for Trail improvements, including the planting of native Hawaiian plants.

The Representative from the 11<sup>th</sup> Representative District testified in support of this bill. The Department of Land and Natural Resources 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. 1028, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1028, H.D. 1.

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

**SCRep. 1002 Finance on H.B. No. 1442**

The purpose of this bill is to perpetuate the cultural heritage and the Hawaiian way of life of the residents of Kalapana, one of the last Hawaiian settlements on the island of Hawaii, who were allowed to live in the Kikala-Keokea homestead area under similar conditions as in Kalapana under Act 314, Session Laws of Hawaii 1991, after being displaced by the 1983 volcanic eruptions. This bill authorizes the Department of Land and Natural Resources (DLNR) to award long-term leases for the remaining 19 lots at Kikala-Keokea to residents who meet specific criteria.

DLNR 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 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. 1442, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1442, H.D. 1.

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

**SCRep. 1003 Finance on H.B. No. 1516**

The purpose of this bill is to ensure the smooth transition of the operations of Honolulu Marine, Inc., from its current ship repair facility on public lands at Kewalo Basin, to a new facility on undeveloped public lands under the jurisdiction of the Department of Land and Natural Resources (DLNR) next to Keehi Small Boat Harbor prior to the expiration of its lease at the Kewalo Basin facility, by making an appropriation for:

- (1) Improvements to be made on the undeveloped public land;
- (2) Relocation of the ship repair facility to the new location at Keehi Small Boat Harbor; and
- (3) Entering into a long-term lease with Honolulu Marine, Inc., including a provision for the repayment of the improvement and relocation costs.

Honolulu Marine, Inc., and the Hawaii Boaters Political Action Association testified in support of this bill. DLNR opposed this measure. The Hawaii Community Development Authority provided comments.

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. 1516, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1516, H.D. 2.

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

**SCRep. 1004 Finance on H.B. No. 1590**

The purpose of this bill is to allow authorities exercising the power of eminent domain to offer to resell condemned property that:

- (1) Is not used for the condemned purpose after five years have elapsed; or
- (2) Ceases to be used for the purpose for which it was condemned,

to the former owner for the lesser of:

- (1) The current appraised value; or
- (2) The condemnation price plus the cost of environmental remediation or cleanup or other improvements.

Kamehameha Schools and the Hawaii Association of Realtors testified in support of this bill. The National Federation of Independent Businesses in Hawaii supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1590, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1590, H.D. 3.

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

**SCRep. 1005 Finance on H.B. No. 1667**

The purpose of this bill is to authorize the issuance of revenue bonds for the purchase of land at the Barbers Point Naval Air Station to develop the Kalaeloa Community Development District in accordance with the Barbers Point Naval Air Station community reuse plan.

The Kalaeloa Community Network and Supporters, Hawaii Association of REALTORS, and Hoakalei Cultural Foundation testified in support of this bill. The Chamber of Commerce of Hawaii supported the intent of this measure. The Hawaii Community Development Authority supported this bill with amendments. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by clarifying that:

- (1) The Barbers Point Naval Air Station which is being purchased is now closed; and
- (2) The revenue bonds will also be used for infrastructure to develop the Kalaeloa Community Development District.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1667, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1667, H.D. 2.

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

**SCRep. 1006 Finance on H.B. No. 1831**

The purpose of this bill is to protect native species, the natural environment, public and private land and resources, and human health and safety by requiring the Department of Land and Natural Resources (DLNR) to effectively fence game mammals into areas maintained for commercial, public, or private hunting.

The Hawaii Audubon Society, Sierra Club, Hawaii Chapter, Conservation Council for Hawaii, and several concerned individuals testified in support of this bill. DLNR and the Hawaii Forest Industry Association opposed this measure. The Nature Conservancy offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1831, H.D. 1.

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

**SCRep. 1007 Finance on H.B. No. 399**

The purpose of this bill is to educate, construct, maintain, and assist in the development of conservation plans to protect soil and water resources by appropriating funds to the Hawaii Association of Conservation Districts for the operation of soil and water conservation districts.

The Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Maunakea Soil and Water Conservation District, and two concerned individuals testified in support of this bill. The Department of Agriculture and Department of Land and Natural Resources supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriations to an unspecified amount 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. 399, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 399, H.D. 1.

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

**SCRep. 1008 Finance on H.B. No. 400**

The purpose of this bill is to support Hawaii's agricultural industry by appropriating funds to implement drought mitigation projects and strategies in each county of the State.

A Member of the Maui County Council, the Hawaii Agriculture Research Center, Maui County Farm Bureau, Hawaii Crop Improvement Association, and Hawaii Farm Bureau testified in support of this bill. The Department of Agriculture and Department of Land and Natural Resources supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount to encourage further discussion;
- (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. 400, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 400, H.D. 1.

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

**SCRep. 1009 Finance on H.B. No. 401**

The purpose of this bill is to provide loan incentives for projects on important agricultural land by authorizing the Director of Finance to guarantee loans, made by commercial lenders authorized to do business in the state, to agricultural producers for the development and implementation of agricultural projects.

The Hawaii Agriculture Research Center and Maui County Farm Bureau testified in support of this bill. The Board of Agriculture supported the intent of this measure. The Hawaii Land Use Research Foundation of Hawaii and Alexander & Baldwin, Inc., supported this bill with amendments. The Department of Budget and Finance (B&F) provided comments.

Your Committee has amended this bill by:

- (1) Placing the loan guaranty program under the Department of Agriculture, instead of B&F and giving the Chairperson of the Board of Agriculture discretion to approve guarantees for loans;
- (2) Requiring B&F to maintain the responsibility for the reserve and funding of any defaults;
- (3) Limiting the total aggregate amount of the State's liability to \$40,000,000;
- (4) Adding an appropriation for the loan guaranty reserve; 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. 401, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 401, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1010 Finance on H.B. No. 404**

The purpose of this bill is to support diversified agriculture in Hawaii by appropriating \$1,000,000 in each year of the 2007-2009 fiscal biennium as a grant for the Hawaii Farm Bureau Federation (HFBF) to conduct agricultural research and development.

The Department of Agriculture, University of Hawaii, HFBF, Hawaii Agriculture Research Center, Maui County Farm Bureau, Hawaii Crop Improvement Association, Hawaii Aquaculture Association, Hawaii Coffee Association, and Alexander & Baldwin, Inc., testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the appropriation amounts;
- (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. 404, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 404, H.D. 2.

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

**SCRep. 1011 Finance on H.B. No. 772**

The purpose of this bill is to protect Hawaii's fragile environment from invasive species by:

- (1) Requiring the Department of Agriculture (DOA) to prescribe a schedule of service fees and charges to be collected from persons who import items that may harbor invasive species, such as containers or packing material;
- (2) Establishing the Pest Inspection, Quarantine, and Eradication Fund (Eradication Fund) into which the service fees, charges, and penalties collected, in addition to legislative appropriations, and federal funds, are to be deposited; and
- (3) Requiring funds in the Eradication Fund to be used for the operation of inspection and monitoring programs and related facilities, and for emergency remedial measures when invasive species are detected.

The Department of Transportation, the Council Chair of the Maui County Council, a member of the Maui County Council, The Nature Conservancy, Hawaii Forest Industry Association, Sierra Club-Hawaii Chapter, and Hawaii Audubon Society testified in support of this bill. The Department of Land and Natural Resources, and DOA supported the intent of this measure. The Department of Budget and Finance, The Chamber of Commerce of Hawaii, Alexander and Baldwin, Inc., Matson Navigation Company, Inc., and a concerned individual testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Inserting an appropriation for deposit into the Fund, to establish an expenditure ceiling;
- (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. 772, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 772, H.D. 2.

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

**SCRep. 1012 Finance on H.B. No. 1114**

The purpose of this bill is to enhance the Agribusiness Development Corporation's (ADC's) ability to assist agricultural businesses, streamline its priorities, and provide more flexibility in its operations by, among other things:

- (1) Repealing certain powers and requirements, including:
  - (A) The requirement to develop the Hawaii Agribusiness Plan;
  - (B) Requirements to use funds from the Hawaii Agricultural Development Revolving Fund for designated purposes, including purchase of qualified securities issued by enterprises for seed capital; and
  - (C) The power to conduct research and marketing analysis, and to develop marketing strategies;
 to refocus ADC's efforts on its core mission of assisting in the transition of the state's agricultural industry from plantation farming to diversified agriculture;
- (2) Repealing the requirement that all agricultural projects, development plans, and project facility programs developed by ADC be approved by the Board of Agriculture;
- (3) Making the use of ADC funds exempt from the Procurement Code; and
- (4) Exempting ADC from more provisions governing administrative supervision of boards and commissions, with certain exceptions.

The Hawaii Farm Bureau Federation and the Maui County Farm Bureau supported this bill. ADC and the Hawaii Agriculture Research Center supported the intent of this bill. The Department of Agriculture, Department of Accounting and General Services, and the State Procurement Office 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. 1114, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1114, H.D. 2.

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

**SCRep. 1013 Finance on H.B. No. 1179**

The purpose of this bill is to combat invasive species by appropriating funds for a grant-in-aid to the County of Hawaii to support and implement the coqui frog working group incident action plan.

The Mayor of the County of Hawaii, Maui Invasive Species Committee, Hawaii Audubon Society, Nature Conservancy of Hawaii, Maui Outdoor Circle, and many concerned individuals testified in support of this bill. The Department of Agriculture and Department of Land and Natural Resources supported the intent of this measure. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount;
- (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. 1179, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1179, H.D. 1.

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

**SCRep. 1014 Finance on H.B. No. 1221**

The purpose of this bill is to preserve Hawaii's dairy and poultry farms by mitigating the high cost of livestock feed. This bill creates the Dairy and Poultry Farm Revitalization and Food Security Program that reimburses qualified producers for a specified percentage of feed costs. This bill also appropriates funds for this purpose.

The Hawaii Farm Bureau Federation, Island Diary, Inc., and several concerned individuals testified in support of this bill. The Department of Agriculture, Hawaii Pork Industry Association, Ulehawa Farm, Inc., and a concerned individual supported this measure with amendments. The Hawaii Egg Producers Association supported the intent of this bill. Animal Rights Hawaii opposed this measure. Pacific Diary offered comments.

Your Committee has amended this bill by:

- (1) Expanding the program to include hog producers with a herd size of no fewer than 50 sows;
- (2) Allowing hog producers to be reimbursed up to 50 percent of the feed costs;
- (3) Broadening the title of the program to the "Livestock Revitalization Program";
- (4) Adding a definition of "poultry";
- (5) Deleting the specific appropriation amounts;
- (6) Changing the effective date to July 1, 2020, to encourage continued discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1221, H.D. 2.

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

**SCRep. 1015 Finance on H.B. No. 1639**

The purpose of this bill is to encourage owners of qualifying agricultural lands to have their lands designated as important agricultural lands (IALs) by providing tax benefits for owners who lease their IALs. Specifically this bill:

- (1) Excludes rental income derived from qualifying agricultural leases on lands identified and designated as IALs from gross income, adjusted gross income, and taxable income, under the income tax law;
- (2) Exempts rental income derived from qualifying agricultural leases on lands identified and designated as IALs from the general excise tax; and
- (3) Appropriates funds for the Department of Agriculture (DOA) to assess the impact of the income tax exclusion of rental income derived from IALs provided for in this bill and requires DOA to submit an annual report regarding the assessment.

DOA supported this bill. The Department of Taxation and the Tax 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. 1639, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1639, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1016 Finance on H.B. No. 1924**

The purpose of this bill is to appropriate funds to eradicate and control the spread of the coqui frog statewide and to support and implement the Coqui Frog Working Group Incident Action Plan.

A member of the Maui County Council, Hawaii Agriculture Research Center, Hawaii Audubon Society, Nature Conservancy of Hawaii, Maui Outdoor Circle, and a concerned individual testified in support of this bill. The Department of Agriculture and Department of Land and Natural Resources supported the intent of this measure. Animal Rights Hawaii and a concerned individual 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. 1924, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1924, H.D. 1.

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

**SCRep. 1017 Finance on H.B. No. 119**

The purpose of this bill is to permit the Agribusiness Development Corporation to acquire by grant, purchase, or gift, agricultural water systems to provide water for the irrigation of agricultural lands, exempt from any county subdivision requirements.

The Agribusiness Development Corporation, Kamehameha Schools, and Dole Food Company 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. 119 and recommends that it pass Third Reading.

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



**SCRep. 1018 Finance on H.B. No. 245**

The purpose of this bill is to provide archeological information of the Hawaiian archipelago by establishing a Hawaii archeological data survey and designating it as a program of the State of Hawaii Museum of Natural and Cultural History. This measure also allows certain information to be withheld if it poses a valid threat to the protection of archeological sites and artifacts.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, and Bishop Museum testified in support of this bill. The Society for Hawaiian Archaeology 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. 245, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1019 Finance on H.B. No. 252**

The purpose of this bill is to stabilize property values and taxes in Hawaii by discouraging the practice of real estate speculation through an increase in the conveyance tax rates for sales of condominiums or single-family residences where the purchaser is ineligible for a county homeowner's property tax exemption.

The Trust for Public Land and Nature Conservancy of Hawaii supported this bill. The Department of Land and Natural Resources supported the intent of this measure. Hawaii Association of Realtors, National Federation of Independent Business Hawaii, and Wyndham Vacation Ownership, Inc. opposed this bill. The Department of Taxation and 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. 252, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.  
(Representative Brower voted no.)

**SCRep. 1020 Finance on H.B. No. 260**

The purpose of this bill is to establish procedures for the appraisal of lands having natural, environmental, recreational, scenic, cultural, agricultural production, or historic value, and also park and trail systems that provide access to any such land.

The Department of Land and Natural Resources, Hawaii Agricultural Research Center, Nature Conservancy of Hawaii, and Trust for Public Land 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. 260 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1021 Finance on H.B. No. 507**

The purpose of this bill is to preserve legislative authority over small boat harbors statewide, by prohibiting the transfer of jurisdiction over state small boat harbors to any county unless expressly provided by statute.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Hawaii Boaters Political Action Association, and a member of the Maui County Council testified in support of this bill. The Department of Land and Natural Resources 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. 507, H.D. 2, and recommends that it pass Third Reading.

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

**SCRep. 1022 Finance on H.B. No. 1201**

The purpose of this bill is to streamline the process for preparing the Office of Hawaiian Affairs (OHA) budget by:

- (1) Allowing the OHA Board of Trustees to choose the best method of providing beneficiaries in each county with opportunities to participate in the preparation of each of its biennial and supplemental budgets; and
- (2) Eliminating the requirement that meetings be held in every county.

OHA 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. 1201, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1023 Finance on H.B. No. 208**

The purpose of this bill is to ensure persons with developmental disabilities or mental retardation continue to have residential options by appropriating additional funds to the Department of Health for the continued operation of developmental disabilities domiciliary homes and apartment complexes offered by private service providers.

The State Council on Developmental Disabilities, Disability and Communication Access Board, The Arc in Hawaii, Opportunities for the Retarded Inc., and The Arc of Kona 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 amounts from \$600,000 for each year of fiscal biennium 2007-2009, to an unspecified sum;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 208, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 208, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1024 Finance on H.B. No. 211**

The purpose of this bill is to extend from June 30, 2008, to June 30, 2012, the date on which the authorization to issue special purpose revenue bonds to assist the Queen's Health Systems is to lapse.

The Healthcare Association of Hawaii testified in support of this bill. The Queen's Health Systems and The Queen's Medical Center supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Changing the effective date to June 30, 2008; and
- (2) Changing the lapse date to June 30, 2013.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 211, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 211, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1025 Finance on H.B. No. 212**

The purpose of this bill is to better understand Hawaii's health care workforce by directing the Department of Health (DOH) to develop and maintain a secure statewide comprehensive health care workforce map and database on the supply and distribution of health care workers in Hawaii. This bill also appropriates funds for this undertaking.

The Mayor of the County of Hawaii, Hawaii Disability Rights Center, Maui Memorial Medical Center, Hawaii Pacific Health, Hawaii Medical Service Association, Hawaii Psychiatric Medical Association, and several concerned individuals testified in support of this bill. DOH and the Department of Human Services offered comments.

Your Committee has amended this bill by:

- (1) Requiring DOH to prepare a report for the 2008 Legislature;
- (2) Deleting the appropriation amounts;
- (3) Changing the effective date to July 1, 2020, to encourage continued discussion; and
- (4) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 212, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 212, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1026 Finance on H.B. No. 807**

The purpose of this bill is to provide expanded assistance and support to family caregivers by appropriating funds to expand the Kupuna Care Services Program in-home and access services.

The County of Hawaii Office on Aging, City and County of Honolulu Department of Community Services Elderly Affairs Division, Kokua Council, Child and Family Service, Hawaii Aging Advocates Coalition, Lanakila's Meals on Wheels Program, Hale Mahaolu, and many concerned individuals testified in support of this bill. A concerned individual supported the intent of this measure. Catholic Charities Hawaii supported this bill with amendments. The Department of Health provided comments.

Your Committee has amended this bill by:

- (1) Removing the appropriation amount 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. 807, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 807, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1027 Finance on H.B. No. 817**

The purpose of this bill is to assist people receiving Medicare and Medicaid benefits, as well as their families, caregivers, and people on the verge of retirement by appropriating funds for operating costs to support and expand the Sage PLUS Program on the neighbor islands.

The ILWU Local 142, Policy Advisory Board for Elder Affairs, Kokua Council, Hawaii Alliance for Retired Americans, and National Multiple Sclerosis Society testified in support of this bill. The Department of Health and Executive Office on Aging supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriations to an unspecified amount;

- (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. 817, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 817, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1028 Finance on H.B. No. 825**

The purpose of this bill is to support the development of policies to strengthen support for family caregivers by:

- (1) Expanding the definition of "family caregivers" for purposes of the Joint Legislative Committee on Family Caregiving (Committee);
- (2) Expanding the scope of the Committee to include the possibility of establishing a paid family leave program under the State's temporary disability insurance law; and
- (3) Extending the existence of the Committee to June 30, 2008.

The Policy Advisory Board for Elder Affairs, ILWU Local 142, AARP Hawaii, Child and Family Service, Hawaii Alliance for Retired Americans, Hawaii Aging Advocates Coalition, Kokua Council, National Multiple Sclerosis Society, and a concerned individual testified in support of this bill. The National Federation of Independent Businesses and a concerned individual provided 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 825, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 825, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1029 Finance on H.B. No. 843**

The purpose of this bill is to continue to give residents of the North Shore of Oahu ready access to emergency medical care, acute care, and preventive health care services, by allowing Kahuku Hospital to be acquired by the Hawaii Health Systems Corporation (HHSC).

The Department of Health, Kahuku Hospital, Healthcare Association of Hawaii, United Public Workers AFSCME, Local 646, AFL-CIO, Polynesian Cultural Center, Hawaii Reserves, Inc., Leahi Hospital, Brigham Young University Hawaii, Koolau Loa Neighborhood Board No. 28, and numerous concerned individuals supported this bill. The Office of Information Practices commented on the measure.

Your Committee has amended this bill by:

- (1) Exempting the purchase of goods and services by or on behalf of Kahuku Hospital from the Hawaii Public Procurement Code and the law governing purchases of health and human services;
- (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. 843, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 843, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1030 Finance on H.B. No. 1008**

The purpose of this bill is to ensure that all of Hawaii's children receive appropriate health care by:

- (1) Establishing the Hawaii Children's Health Care Program providing coverage to uninsured children between 31 days to 18 years of age;
- (2) Providing free medical care to children 19 years of age or younger whose family income is at or below 300 percent of the federal poverty level;
- (3) Allowing children 19 years of age or younger whose family income is at or between 250 and 350 percent of the federal poverty level to receive free QUEST-Net benefits; and
- (4) Establishing the Hawaii Infant Care Special Fund and using it to provide up to \$10,000 of health care for each uninsured newborn between one and 31 days-of-age, and through a matching-funds partnership between the Department of Human Services (DHS) and private health care providers, also providing care exceeding that limit.

Hawaii Primary Care Association, Hawaii Family Forum, Hawaii Pacific Health, Hawaii Medical Service Association, and several concerned individuals supported this bill. DHS supported the intent of this measure. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

- (1) Allowing children who become ineligible for QUEST due to increased family income to enroll in the Hawaii Children's Health Care Program;
- (2) Removing the caps on enrollment in the Hawaii Children's Health Care Program;
- (3) Clarifying that DHS will administer the Hawaii Infant Care Special Fund and may contract with an appropriate entity to provide services;
- (4) Removing references to specific appropriation amounts;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1008, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1008, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1031 Finance on H.B. No. 1370**

The purpose of this bill is to appropriate emergency funding to the Department of Health's (DOH) Adult Mental Health Division (Division).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 234 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$8,377,698 for fiscal year 2006-2007 from the Special Fund to be used to sustain the ongoing services provided by the Division.

DOH and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements; 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. 1370, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1370, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1032 Finance on H.B. No. 1372**

The purpose of this bill is to appropriate \$1,900,000 as an emergency appropriation to reimburse costs associated with the delivery of emergency aeromedical services on Oahu by the Hawaii Army National Guard or other provider.

Pursuant to the requirements set forth in Article VII, Section 9, of the Constitution of the State of Hawaii, the Governor, in her Governor's Message No. 236 to the Legislature, requested immediate consideration and passage of this bill, citing an existing critical funding emergency to continue aeromedical services on Oahu.

The Department of Defense and Department of Health supported this bill.

Your Committee has amended this bill by:

- (1) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements; 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. 1372, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1372, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1033 Finance on H.B. No. 1378**

The purpose of this bill is to appropriate emergency funding to the Department of Health (DOH) to ensure the health and safety of residents on the north shore and windward coast of Oahu by preventing the closure of Kahuku Hospital.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 239 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates general funds for fiscal year 2006-2007 to fund a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Kahuku Hospital to address the estimated cash shortfall projected for the first six months of 2007, consisting of:

- (1) Operating losses;
- (2) The costs of Kahuku Hospital's Chapter 11 reorganization proceeding; and
- (3) The transfer of Kahuku Hospital to the Hawaii Health Systems Corporation.

DOH, the Healthcare Association of Hawaii, and several concerned individuals testified in support of this bill. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements; 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. 1378, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1378, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1034 Finance on H.B. No. 1495**

The purpose of this bill is to improve palliative care services by appropriating funds as a grant to Kokua Mau to:

- (1) Integrate palliative care into long-term care settings;
- (2) Implement statewide physician orders for life-sustaining treatment;
- (3) Implement a hospice and palliative care resource center demonstration project; and
- (4) Implement statewide assessment of benchmark indicators.

The Hawaii Medical Service Association, Kokua Mau, Hawaii Long Term Care Association, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaiian Islands Hospice Organization, Hospice Maui, and many concerned individuals testified in support of this bill. The Healthcare Association of Hawaii supported the measure with amendments.

Your Committee has amended this bill by:

- (1) Changing the appropriations to unspecified amounts to encourage further discussion;
- (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. 1495, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1495, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1035 Finance on H.B. No. 1764**

The purpose of this bill is to improve healthcare services for all of Hawaii's residents by authorizing the issuance of revenue bonds to assist the Hawaii Health Systems Corporation (HHSC) in the construction, improvement, and equipment of its healthcare facilities, including the construction of a new heart, brain, and spine center on Maui.

HHSC and Healthcare Association of Hawaii testified in support of this bill. The Department of the Attorney General opposed this measure.

Your Committee has amended this bill by:

- (1) Specifying that the revenue bonds may be issued pursuant to Part III of Chapter 39, Hawaii Revised Statutes;
- (2) Clarifying that the revenue bonds are to be issued by HHSC rather than the Department of Budget and Finance, as HHSC has the authority to issue revenue bonds;
- (3) Clarifying that the bonds shall be special, limited obligations of HHSC, rather than the State; 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. 1764, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1764, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1036 Finance on H.B. No. 194**

The purpose of this bill is to authorize the Natural Energy Laboratory of Hawaii Authority (NELHA) to acquire, hold, and sell qualified securities.

NELHA offered comments.

Your Committee notes that under the bill as received by your Committee, no limitation was placed on the derivation of the qualified securities that could be acquired, held, or sold by NELHA: conceivably, NELHA could have acquired the qualified securities in any business, whether or not it had any nexus with NELHA's research and technology park.

Accordingly, your Committee has amended this bill by specifying that NELHA is authorized to acquire, hold, and sell qualified securities in the business of a tenant or prospective tenant of the authority.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 194, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 194, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1037 Finance on H.B. No. 429**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist Sacred Hearts Academy in financing the construction and improvements of its educational facilities in the State of Hawaii.

Sacred Hearts Academy and the Hawaii Association of Independent Schools 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. 429, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 429, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1038 Finance on H.B. No. 581**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$10,000,000, to assist Hanalani Schools in financing and refinancing the planning, acquisition, construction, and improvement of its educational facilities in the State of Hawaii.

Hanalani Schools and the Hawaii Association of Independent Schools testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting standard language allowing for the pooling of bond issues;
- (2) Changing its 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 581, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 581, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1039 Finance on H.B. No. 627**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$50,000,000, to assist Hawaii Preparatory Academy in financing or refinancing the planning, construction, and improvements of its educational facilities in the State of Hawaii.

Hawaii Preparatory Academy and the Hawaii Association of Independent Schools 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. 627, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 627, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1040 Finance on H.B. No. 1529**

The purpose of this bill is to open the door to higher education opportunity by establishing two scholarship programs:

- (1) The Senator Hiram L. Fong Scholarship Program; and
- (2) The Senator Oren E. Long Scholarship Program.

The programs will be administered by the University of Hawaii (UH) with proceeds from endowment trusts that will receive initial funding by general fund appropriations.

Several concerned individuals supported this bill. UH and the Department of Education supported the intent of this measure. The Department of the Attorney General submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the Legislature finds this Act to be in the public's best interest;
- (2) Deleting specific dollar amounts from the appropriation;
- (3) Changing the effective date to July 1, 2020, to promote 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. 1529, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1529, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Tokioka.

**SCRep. 1041 Finance on H.B. No. 506**

The purpose of this bill is to encourage production of alternative fuels to ease Hawaii's dependence on foreign oil by extending from 2012 to 2017, the tax credit for a qualifying ethanol production facility.

The Department of Business, Economic Development, and Tourism and Alexander and Baldwin, Inc., supported this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

To encourage further discussion, your committee has amended this bill by changing its 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. 506, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 506, H.D. 1.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1042 Finance on H.B. No. 646**

The purpose of this bill is to promote sustainable and clean energy by appropriating funds for the Department of Business, Economic Development, and Tourism (DBEDT) to:

- (1) Sponsor an energy conference; and
- (2) Participate in the Blue Planet Festival activities to:
  - (A) Showcase energy technology;
  - (B) Promote energy resources education; and
  - (C) Address local and global energy issues.

The Hawaii Tourism Authority, Pacific Biodiesel, Inc., and several representatives from the Blue Planet Festival supported this bill. DBEDT supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to facilitate 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. 646, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 646, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1043 Finance on H.B. No. 870**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$20,000,000, for Honolulu Seawater Air Conditioning, LLC (Honolulu Seawater), for design and construction of a seawater air conditioning district cooling system on Oahu.

Honolulu Seawater, KUD International, Phase 3 Properties, Hawaii Renewable Energy Alliance, and Hawaii Energy Policy Forum 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. 870, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 870, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1044 Finance on H.B. No. 871**

The purpose of this bill is to reduce Hawaii's dependence on foreign oil and encourage the growth of the alternative-energy industry by including seawater air conditioning district cooling systems as a business qualified to receive benefits under the state enterprise zone law.

The Department of Business, Economic Development, and Tourism; Honolulu Seawater Air Conditioning, LLC.; Hawaii Renewable Energy Alliance; Hawaii Energy Policy Forum; and Hawaii Science and Technology Council supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 871, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 871, H.D. 1.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1045 Finance on H.B. No. 1003**

The purpose of this bill is to facilitate the growth of the alternative fuel industry in the state by:

- (1) Statutorily establishing the Hawaii Natural Energy Institute of the University of Hawaii at Manoa (Institute) and a funding mechanism for the development of renewable energy and end-use energy-efficient technologies, including those that ameliorate peak demand problems;
- (2) Establishing the Hawaii Biofuels Program within the Department of Business, Economic Development, and Tourism to manage the state's transition to energy self-sufficiency; and
- (3) Requiring DBEDT to develop and prepare a bioenergy master plan.

Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Energy Policy Forum, University of Hawaii, and ClearFuels Technology, Inc., supported this bill. The Department of Budget and Finance, DBEDT, and the Public Utilities Commission (PUC) submitted comments.

Your Committee has amended this bill by:

- (1) Removing the provision that allowed a portion of any public benefit fees, established and approved by the PUC, to be placed into the Energy Systems Development Special Fund to support the operations of the Institute;
- (2) Changing the effective date to July 1, 2020, to facilitate 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. 1003, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1003, H.D. 3.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1046 Finance on H.B. No. 1289**

The purpose of this bill is to improve the administration of the Renewable Energy Technology Tax Credit (Tax Credit) by:

- (1) Requiring that a renewable energy technology system be installed and operated in the state to qualify for the Tax Credit; and
- (2) Removing the requirement that the individual or corporate taxpayer applying for the Tax Credit be a resident of the state.

The Hawaii Energy Policy Forum and Hawaii Renewable Energy Alliance testified in support of this bill. The Department of Taxation and Tax Foundation 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1289, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1289, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1047 Finance on H.B. No. 1278**

The purpose of this bill is to enable the State to continue to offer low-cost loans to assist eligible borrowers in the cleanup of contaminated properties.

Specifically, this bill repeals the sunset date of the Hawaii Brownfields Cleanup Revolving Loan Fund (Revolving Loan Fund) that was scheduled for repeal on June 30, 2007, pursuant to Act 173, Session Laws of Hawaii 2002. The Revolving Loan Fund assists eligible borrowers with the cleaning of contaminated sites in accordance with federal environmental and hazardous substances pollution guidelines.

The Department of Health, Department of Business, Economic Development, and Tourism, and County of Hawaii testified in support of this bill.

Your Committee has amended this bill by changing the effective date to June 29, 2007.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1278, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1278, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1048 Finance on H.B. No. 1452**

The purpose of this bill is to protect the health and safety of Hawaii's residents and visitors by requiring the Department of Health (DOH) to take soil samples at unspecified distances along a perimeter within 500 meters of all military bases at least once every three months to monitor the levels of depleted uranium contamination.

The Democratic Party of Maui, Ten Fingers 10 Toes, Hawaiian Political Action Council of Hawaii, Sierra Club, Hawaii Chapter, Life of the Land, KAHEA, and numerous concerned individuals supported this bill. American Friends Service Committee supported the intent of this bill. DOH opposed this measure.

Your Committee has amended this measure by:

- (1) Adding a requirement to take air and water samples at least once every three months for the same purpose;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1452, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1452, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1049 Finance on H.B. No. 966**

The purpose of this bill is to diversify the membership of the Contractors License Board (Board) by requiring at least three members of the Board to be appointed from a list of nominees submitted by:

- (1) The Speaker of the House of Representatives; and
- (2) The President of the Senate.

The Hawaii Building and Construction Trades Council, AFL-CIO, International Union of Elevator Constructors Local Union No. 126, and a consultant to the Plumbers and Pipefitters Local 675 testified in support of this bill. The Board testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 966, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har and Sagum.

**SCRep. 1050 Finance on H.B. No. 639**

The purpose of this bill is to encourage recycling by fine tuning the deposit beverage container program. Specifically, this bill:

- (1) Allows the Director of Health (Director) to temporarily suspend an automatic increase in the deposit beverage container fee after consulting with the Auditor and determining that the funds in the Deposit Beverage Container Deposit Special Fund (Fund) meet statutory requirements;
- (2) Requires deposit beverage distributors to report the number of containers sold and pay fees thereon;
- (3) Allows consumers to request that the refund value be calculated by container count only when redeeming up to 50 containers of each material type per visit to a redemption center;



- (4) Requires redemption centers to refuse to pay the refund value on containers that appear to have been previously processed and baled; and
- (5) Requires the Department of Health (DOH) to pay the handling fee only on containers physically received by the redemption center.

Reynolds Recycling supported this bill. The Sierra Club – Hawaii Chapter supported this measure with amendments. DOH opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 639, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1051 Finance on H.B. No. 1787**

The purpose of this bill is to improve the application of energy efficiency performance contracts by state agencies. More specifically, this bill:

- (1) Replaces the definition of "energy-savings performance contract" with "energy performance contract";
- (2) Extends the maximum term of an energy performance contract from 15 to 20 years;
- (3) Deletes the provision that permits the Comptroller and the Director of Finance to exempt a state energy project from advertising and competitive bidding requirements; and
- (4) Allows the Director of Finance and the Comptroller to approve alterations of energy-savings contracting.

The Department of Business, Economic Development, and Tourism, Department of Accounting and General Services, and Honolulu Seawater Air Conditioning, LLC, testified in support of this bill. The Hawaii Energy Policy Forum supported this measure 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. 1787, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1052 Finance on H.B. No. 1912**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$55,000,000 for BlueEarth Maui Biodiesel, LLC, to plan, design, and construct a biodiesel refinery on Maui to supply a renewable source of electrical generation fuel which will replace a portion of the petroleum-based feedstocks presently being used for electricity generation.

The Department of Business, Economic Development, and Tourism, BlueEarth Biofuels, LLC, Maui Electric Company, Ltd., Hawaiian Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1912 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1053 Finance on H.B. No. 487**

The purpose of this bill is to make housekeeping amendments relating to statutory references that were affected by the split of the Housing and Community Development Corporation of Hawaii into the Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Public Housing Authority (HPHA).

HHFDC testified in support of this bill. HPHA 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. 487, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1054 Finance on H.B. No. 320**

The purpose of this bill is to improve the safety and security at Mayor Wright Homes by appropriating funds for at least three additional full-time security officers.

Several concerned individuals testified in support of this bill. The Hawaii Public Housing Authority 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 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. 320, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 320, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1055 Finance on H.B. No. 325**

The purpose of this bill is to expand coverage under Medicaid and QUEST to include comprehensive dental care coverage for eligible individuals 21 years-of-age or older and to appropriate funds to provide the additional coverage. This measure also appropriates funds for hospital dentistry for the developmentally disabled community in the County of Hawaii.

The State Council on Developmental Disabilities, East and West Hawaii Developmental Disabilities Committees, Hawaii Primary Care Association, Kokua Council, Full Life, Center on Disability Studies, Hawaii Island Dental Task Force, and several concerned individuals testified in support of this bill. The Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Leaving appropriation amounts blank 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. 325, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 325, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1056 Finance on H.B. No. 426**

The purpose of this bill is to enhance prescription drug access for public assistance recipients by granting prescriptive authority for psychotropic medications to an advanced practice registered nurse (APRN) who has entered into a collegial relationship with a psychiatrist or physician. This bill also:

- (1) Requires the Department of Human Services (DHS) to report annually on the number of prescriptions written under the law and the cost impact of the law; and codifies this requirement under section 346-59.9, Hawaii Revised Statutes (HRS); and
- (2) Ensures that the law will continue to apply to QUEST plans by repealing the sunset of the law as it applies to those plans.

DHS, Hawaii Psychiatric Medical Association, and several concerned individuals supported this bill. A concerned individual supported this bill with amendments.

Your Committee has amended this measure by:

- (1) Removing the condition that an APRN enter into a collegial relationship with a psychiatrist or physician and specifying, instead, that an APRN have prescriptive authority under Chapter 457, HRS, to prescribe psychotropic medications; 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. 426, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 426, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1057 Finance on H.B. No. 456**

The purpose of this bill is to provide access to emergency contraceptives for women who are Medicaid recipients, who may not be able to otherwise obtain emergency contraceptives, by providing funding and requiring the Department of Human Services to directly reimburse sales of over-the-counter Plan B emergency contraception to women who are recipients of Medicaid without incurring out-of-pocket expenses.

The Hawaii Medical Association and Healthy Mothers, Healthy Babies Coalition of Hawaii testified in support of this bill. The Department of Human Services supported the intent of this measure. Hawaii Right to Life and a concerned individual 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 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. 456, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 456, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1058 Finance on H.B. No. 667**

The purpose of this bill is to preserve affordable housing in Honolulu by appropriating funds to finance condemnation proceedings to ensure that the Kukui Gardens Rental Housing Complex will continue to offer apartments at affordable rental rates in perpetuity.

The Hawaii Family Forum and Roman Catholic Church in the State of Hawaii testified in support of this bill. The Hawaii Housing Finance and Development Corporation (HHFDC) offered comments.

Your Committee has amended this bill by:

- (1) Inserting provisions that allow the Director of Finance to adjust the ceiling on the amount of revenue bonds issued by the State, which raises the amount of revenue bonds that may be issued by HHFDC from \$300,000,000 to \$400,000,000;
- (2) Inserting an appropriation for the purchase of a property interest in all or a portion of the land and improvements at Kukui Gardens;
- (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. 667, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 667, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1059 Finance on H.B. No. 835**

The purpose of this bill is to ensure that the pineapple employees' and retirees' families living in the Kunia and Poamoho plantation camps, do not lose their homes due to the closure of Del Monte Fresh Produce, and to safeguard the public health, safety, and welfare of the state by:

- (1) Establishing the Pineapple Employees and Retirees Housing Revolving Fund to provide to affected pineapple employees and retirees low-interest loans or grants to acquire, rehabilitate, or reconstruct existing housing, or acquire housing elsewhere;
- (2) Establishing the Pineapple Employees and Retirees Rental Housing Fund to provide rent subsidies to affected pineapple employees and retirees;
- (3) Establishing the Pineapple Employees and Retirees Homeownership Counseling Program to provide affected pineapple employees and retirees with homebuyer education and counseling; and
- (4) Appropriating funds for the new funds and programs established in this measure.

The ILWU Local 142 testified in support of this bill. The Hawaii Housing Finance and Development Corporation 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;
- (2) Changing all references to "pineapple employees" to "pineapple workers" for consistency; and
- (2) [sic] Making other 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. 835, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 835, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1060 Finance on H.B. No. 1907**

The purpose of this bill is to provide housing for senior citizens by authorizing the issuance of up to \$120,000,000 in special purpose revenue bonds for Craigsides Retirement Residence, a not-for-profit Hawaii corporation, to finance the land acquisition, planning, design, and construction of a senior housing community in Honolulu, Oahu.

Craigsides Retirement Residence, Arcadia Retirement Residence, and Hawaii Long Term Care Association testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1907, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1907, H.D. 1.

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

**SCRep. 1061 Finance on H.B. No. 90**

The purpose of this bill is to enhance the monitoring of the insurance marketplace, protection of insurance policyholders, and compliance with the Insurance Code and regulations, by adopting the National Conference of Insurance Legislators Market Conduct Surveillance Model Law, which establishes a framework for the Insurance Commissioner to perform market conduct examinations of domestic and foreign insurers' marketplace practices.

The American Council of Life Insurers testified in support of this bill. The State Insurance Commissioner supported the intent of this measure with suggested amendments.

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

- (1) Inserting an appropriation for an unspecified amount of funds to carry out the purposes of this bill;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 90, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 90, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Mizuno, Sagum, Tokioka and Ward.

**SCRep. 1062 Finance on H.B. No. 92**

The purpose of this bill is to promote the fair application of the general excise tax (GET) by allowing securities professionals to pay the GET only on their respective share of commissions divided among a number of persons.

The National Association of Insurance and Financial Advisors-Hawaii, Brookstreet Securities Corporation, Linsco/Private Ledger Corp., and a concerned individual testified in support of this bill. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

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. 92, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 92, H.D. 1.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1063 Finance on H.B. No. 93**

The purpose of this bill is to promote the safety of users of buildings and facilities throughout the state by:

- (1) Creating a State Building Code Council (Council) to:
  - (a) Establish a comprehensive state building code;
  - (b) Appoint a subcommittee to recommend any necessary or desirable amendments to the model codes;
  - (c) Review and adopt, as appropriate, new model building codes; and
  - (d) Provide education and technical training and administrative assistance;
 and
- (2) Appropriating funds for the operations of and technical assistance services to the Council.

The Department of Defense, Plumbers and Fitters Union Local 675, Structural Engineers Association of Hawaii, and State Farm Insurance Companies testified in support of this bill. The Disability and Communication Access Board supported this measure with amendments. The State Fire Council and Kauai Fire Department supported the intent of this bill. The Department of Accounting and General Services offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to unspecified amounts, 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. 93, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 93, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1064 Finance on H.B. No. 116**

The purpose of this bill is to ensure the effective integration of facilities necessary for the provision of advanced wireless communications services by creating an application process for the siting of wireless communications facilities that encourages the placement of antennas on existing structures, thereby minimizing their impact on the environment.

T-Mobile USA, Inc., Sprint Nextel, and Cingular Wireless/AT&T testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting opposed this measure. The Office of Information Practices 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. 116, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 116, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1065 Finance on H.B. No. 273**

The purpose of this bill is to enhance the regulation of sales of annuities by establishing standards and procedures for insurers and insurance producers making recommendations to consumers regarding the purchase or exchange of any annuity.

The National Association of Insurance and Financial Advisors and American Council of Life Insurers testified in support of this bill. The Insurance Division and Business Registration Division of the Department of Commerce and Consumer Affairs and a concerned individual testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Clarifying that jurisdiction of the Commissioner of Securities of the Business Registration Division of the Department of Commerce and Consumer Affairs over variable annuities under Chapter 485, Hawaii Revised Statutes, is not affected by this measure; 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. 273, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 273, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Har, Mizuno, Sagum, Tokioka and Ward.

**SCRep. 1066 Finance on H.B. No. 1941**

The purpose of this bill is to protect Hawaii's environment by appropriating funds for the inspection, quarantine, and eradication of invasive species.

The Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Farm Bureau, Maui County Farm Bureau, Hawaii Audubon Society, Alexander & Baldwin, Inc., Nature Conservancy of Hawaii, and Hawaii Forest Industry Association testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. A concerned individual 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. 1941, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1941, H.D. 1.

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

**SCRep. 1067 Finance on H.B. No. 1948**

The purpose of this bill is to establish an Aha Moku Council System, in which Aha Moku Councils, or community groups, serve in an advisory capacity on all matters regarding the management of the state's natural resources, including management and maintenance of marine, land, cultural, and natural resources to ensure their future sustainable use.

The Princess Ka'iulani Hawaiian Civic Club, Pacific Indigenous Resource Management Institute, Hawaii Near Shore Fishermen, and several concerned individuals supported this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Department of Land and Natural Resources and Nature Conservancy supported the intent of this bill.

Your Committee has amended this bill by providing an effective date of July 1, 2020, for the appropriation section of the bill 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. 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.

**SCRep. 1068 Finance on H.B. No. 13**

The purpose of this bill is to support the administration and operation of the Department of Education's (DOE's) food distribution program by establishing the Food Distribution Program Revolving Fund. Revenues would be primarily generated from administrative fees charged for services rendered by state contracted warehouses for the distribution of federal commodity foods to recipient agencies.

DOE testified in support of this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Appropriating unspecified sums from the Revolving Fund for each year of fiscal biennium 2007-2009;
- (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. 13, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 13, H.D. 1.

Signed by all members of the Committee except Representatives Sagum, Tokioka, Awana and Meyer.

**SCRep. 1069 Finance on H.B. No. 24**

The purpose of this bill is to provide greater incentives for teachers certified by the National Board for Professional Teaching Standards to work at a school that is in restructuring under the No Child Left Behind Act by giving these teachers an additional \$5,000 bonus per year.

Two individuals testified in support of this bill. The Department of Education and Hawaii State Teachers Association testified in support of the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the specified additional annual bonus amount of \$5,000 to an unspecified amount to facilitate further discussion; 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. 24, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 24, H.D. 1.

Signed by all members of the Committee except Representatives Sagum, Tokioka, Awana and Meyer.

**SCRep. 1070 Judiciary on H.B. No. 375**

The purpose of this bill is to enhance pedestrian safety by clarifying a driver's duty to stop and yield the right of way to a pedestrian in a crosswalk when traffic control signals are not in place or not in operation.

The Department of Transportation and the Honolulu Police Department testified in support of this bill.

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

- (1) Deleting the driver's duty to stop and yield the right of way, and simply requiring drivers to stop for pedestrians;
- (2) Removing the limitation that the duty to stop only applies to crosswalks where traffic control signals are not in place or in operation;
- (3) Inserting penalty provisions for drivers who fail to comply with the duty to stop for pedestrians based on the number of previous convictions under this section;
- (4) Inserting a penalty provision for pedestrians who fail to comply with the crosswalk law based on the number of previous convictions under this section;
- (5) Changing the effective date to January 1, 2112, to encourage further discussion; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 375, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1071 Judiciary on H.B. No. 659**

The purpose of this bill is to formally recognize the importance of kalo (taro) to the cultural heritage of Hawaii by designating kalo as the official state plant.

The Association of Hawaiian Civic Clubs and a concerned individual supported this bill. The Hawaii Agriculture Research Center supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision specifying that the designation of kalo as the official state plant is effective so long as the Legislature does not otherwise provide; 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. 659, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 659, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1072 Judiciary on H.B. No. 670**

The purpose of this bill is to protect the confidentiality of donors and potential donors to the University of Hawaii (UH) or UH Foundation by disclosing only the name of the donor, except for those requesting anonymity, the date, amount, and purpose of the donation.

The UH Foundation testified in support of this bill. A concerned individual opposed this measure. The Office of Information Practices and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Removing government records disclosure provisions and inserting a provision stating that this measure should not be construed to imply that the UH Foundation is a governmental or quasi-governmental agency or body; 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. 670, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 670, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1073 Judiciary on H.B. No. 931**

The purpose of this bill is to facilitate the use of specially-designed three-wheeled mopeds by exempting three-wheeled mopeds designed to carry a driver and passenger seated side-by-side from seating and passenger restrictions on the operation of mopeds.

Adventure Rentals, LLC, and Shamrock Importers, LLC, testified in support of this bill. The Department of Transportation opposed this measure. The City and County of Honolulu offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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. 931, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 931, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1074 Judiciary on H.B. No. 1155**

The purpose of this bill is to clarify the calculation of the value of damage to agricultural products, including future losses and the loss of future production.

The Department of Agriculture, City and County of Honolulu Department of the Prosecuting Attorney, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., testified in support of this bill.

Your Committee amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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. 1155, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1155, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1075 Judiciary on H.B. No. 1503**

The purpose of this bill is to strengthen protections for dislocated workers by amending Hawaii's Dislocated Workers Law to:

- (1) Expand the 60-day notification requirements to employees and the Director of Labor and Industrial Relations (Director) of the closing of covered establishments; and
- (2) Impose penalties on an employer who fails to notify the Director or employees of a closing, partial closing, divestiture, or relocation of a business.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this bill. The Chamber of Commerce of Hawaii opposed this measure. The Department of Labor and Industrial Relations provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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. 1503, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1503, H.D. 1.

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

**SCRep. 1076 Judiciary on H.B. No. 1518**

The purpose of this bill is to protect design professionals from frivolous lawsuits by requiring a claimant or the claimant's attorney to:

- (1) File a certificate of merit before making a claim against a design professional for failure to meet the standard of care; and
- (2) File a preliminary expert opinion affidavit.

The American Council of Engineering Companies, American Institute of Architects Hawaii State Council, American Society of Civil Engineers, Cedric D.O. Chong and Associates, Inc., Consulting Structural Hawaii, Inc., Engineering Concepts, Inc., Engineering Solutions, Inc., Kauhikaua & Chung / Architects, The Limtiaco Consulting Group, Masa Fujioka & Associates, Shimabukuro, Endo & Yoshizaki, Inc., Gray, Hong, Nojima & Associates, Inc., Finance Insurance, Ltd., and Coalition of Hawaii Engineering and Architectural Professionals testified in support of this bill. The Department of Accounting and General Services and Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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. 1518, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1518, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1077 Judiciary on H.B. No. 1609**

The purpose of the bill is to exclude repairs or maintenance of existing state roads and highways from county special management area permit requirements to the extent the repairs or maintenance are necessary to preserve or regain the integrity of the road or highway from damage from environmental impacts.

Your Committee received testimony in support of this bill from the Department of Transportation and a concerned individual.

Your Committee has amended this measure by changing its effective date to January 1, 2112, 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. 1609, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1609, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1078 Judiciary on H.B. No. 1608**

The purpose of this bill is to protect public health and safety during traffic emergencies by allowing for the establishment of traffic emergency zones to provide highway access to an affected area.

The Department of Transportation and a concerned individual supported this bill. The Consumer Lawyers of Hawaii and the State Procurement Office 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. 1608 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1079 Judiciary on H.B. No. 1814**

The purpose of this bill is to ensure legislative access to information about the Family Court by requiring the Board of Family Court Judges to provide the Legislature, upon request, reports containing Family Court data and information that the Legislature may consider necessary.

A concerned individual testified in support of this bill. The Judiciary offered comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1814 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1080 Finance on H.B. No. 200**

The purpose of this bill is to determine a fair price for deep sea water pumped by the National Energy Laboratory of Hawaii Authority (NELHA) at Keahole, Hawaii that is used for a variety of commercial, research, and educational purposes. This bill directs:

- (1) The Auditor to conduct a financial and management audit of NELHA's deep seawater pumping system to evaluate and, if necessary, determine a rate structure for the seawater; and
- (2) NELHA to freeze its rates for pumped seawater pending the completion of the Auditor's study and to implement any rate structure determined by the Auditor.

The Hawaii Aquaculture Association testified in support of this bill. The Office of Hawaiian Affairs supported this measure with amendments. NELHA 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. 200, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1081 Finance on H.B. No. 963**

The purpose of this bill is to provide for a fair and equitable procurement contract between the State or county governments and an architect, engineer, surveyor, or landscape architect licensed under Chapter 464, Hawaii Revised Statutes (Contractor), by:

- (1) On or after July 1, 2007, prohibiting contracts of less than \$5,000,000 from requiring the Contractor to defend the governmental body against any liability that arises from the Contractor's performance under the contract (Defense Clause);
- (2) Allowing provisions in contracts that require the Contractor to indemnify or hold harmless the government from any liability arising from the Contractor's own negligence, errors, or omissions; and
- (3) Requiring the government to commence legal action against a Contractor that is based on a Defense Clause in a pre-July 1, 2007, contract, within ten years from the date of execution of the contract.

The Small Business Regulatory Review Board, Coalition of Hawaii Engineering and Architectural Professionals, Kai Hawaii Inc., Cedric D.O. Chong & Associates, Incorporated, The Limtiaco Consulting Group, Masa Fujioka & Associates, Engineering Solutions, Inc., American Council of Engineering Companies of Hawaii, and Gray, Hong, Nojima & Associates, Inc., testified in support of this bill. The Department of the Corporation Counsel of the City and County of Honolulu opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 963, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1082 Finance on H.B. No. 1902**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$400,000,000 as follows:

- (1) \$260,000,000 to assist the Hawaiian Electric Company, Inc., with its capital improvement projects;
- (2) \$25,000,000 to assist the Maui Electric Company, Limited, with its capital improvement projects; and
- (3) \$115,000,000 to assist the Hawaii Electric Light Company, Inc., with its capital improvement projects.

The Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1902 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1083 Finance on H.B. No. 1931**

The purpose of this bill is to extend from June 30, 2007, to June 30, 2011, the date on which the authorization to issue special purpose revenue bonds to assist Hui Enekinia Hawaii is to lapse.

Two principals of the firm Hui Enekinia 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. 1931 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1084 Finance on H.B. No. 1009**

The purpose of this bill is to restore goodwill in the public education system and better serve Hawaii's public school students by appropriating funds to provide a settlement for three pending class action lawsuits between the substitute and part-time teachers and the Department of Education (DOE) for retroactive salary adjustments beginning from July 1, 1996.

The Hawaii Carpenters Union, Local 745, and numerous concerned individuals testified in support of this bill. DOE and the Department of the Attorney General 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. 1009, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.



**SCRep. 1085 Finance on H.B. No. 1023**

The purpose of this bill is to expand the pool of individuals eligible for the offices of the Governor and Lieutenant Governor by proposing a constitutional amendment to lower the age qualification for the two offices from the age of 30 years to 25 years.

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. 1023 and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representatives Hanohano, Har and Meyer voted no.)

**SCRep. 1086 Finance on H.B. No. 201**

The purpose of this bill is to support veterans through the establishment of a Veterans' Home Account to be used for the operation and implementation of programs and services of the State Veterans' Home.

The Department of Budget and Finance and Hawaii Health Systems Corporation did not support this bill. The Office of Veterans Services offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 201 and recommends that it pass Third Reading.

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

**SCRep. 1087 Finance on H.B. No. 312**

The purpose of this bill is to provide community-based businesses with business counseling, financial backing, and general support by funding the Hawaii Community-based Economic Development Technical and Financial Assistance Program. This bill appropriates general funds to be deposited into the Hawaii Community-based Economic Development Revolving Fund for this purpose.

The Office of Hawaiian Affairs, Office of Economic Development of the County of Kauai, Office of Economic Development of the County of Maui, Hawaii Alliance for Community-Based Economic Development, Kauai Economic Development Board, Inc., Kona Pacific Farmers Cooperative, The Arc of Kauai, Empower Oahu, and several concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Deleting the appropriated amounts;
- (2) Changing the effective date to July 1, 2020, to encourage continued discussion; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 312, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 312, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1088 Finance on H.B. No. 317**

The purpose of this bill is to increase the ability of businesses to efficiently and cost-effectively contract out payroll and payroll-related functions to a professional employment organization (PEO) and protect employees by:

- (1) Allocating responsibility between a PEO and their client company for the labor law rights and tax reporting and withholding of employees assigned to the client company;
- (2) Exempting a PEO from the general excise tax (GET) on amounts received from a client company that are disbursed for wages, salaries, payroll taxes, and employment benefits for employees assigned to the client company; and
- (3) Rendering the exemption inapplicable if assigned employees are excluded from any employee rights or benefits required by law, or the PEO fails to pay any assigned employee tax withholding for which the organization is responsible.

Altres and a concerned individual opposed this bill. The 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 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. 317, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 317, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1089 Finance on H.B. No. 1018**

The purpose of this bill is to provide guidance to county liquor commissions in regulating condominium hotels by establishing a condominium hotel class of liquor license.

The Hawaii Hotel & Lodging Association and Outrigger Hotels & Resorts 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. 1018, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1018, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1090 Finance on H.B. No. 1277**

The purpose of this bill is to repeal the Ko Olina Resort and Marina and Makaha Resort tax credit.

The Office of Planning and Department of Taxation opposed this bill. The Department of Business, Economic Development, and Tourism did not support this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1277, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1091 Finance on H.B. No. 1659**

The purpose of this bill is to ensure that funds solicited by government to cover the costs and expenses of a state-sponsored enterprise, including trips and other endeavors to generate business opportunities and goodwill for the State, are expended fairly and openly, and subject to competitive procedures, by providing that these funds must be deposited into the general fund, disbursed by legislative appropriation, and expended under the procurement code.

The Department of Business, Economic Development, and Tourism, High Technology Development Corporation, and High Technology Innovation Corporation opposed this bill.

Your Committee has amended this bill by:

- (1) Removing the appropriation amount 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. 1659, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1659, H.D. 2.

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

**SCRep. 1092 Finance on H.B. No. 1923**

The purpose of this bill is to build some flexibility into the State Enterprise Zone Program (Program) to recognize the unique circumstances of agricultural businesses and allow more of these businesses to survive and prosper under the Program by:

- (1) Allowing agricultural businesses whose operations are affected by a "force majeure event," i.e., a damaging natural disaster beyond their control, to remain eligible for tax incentives under the Program;
- (2) Extending the seven-year Program benefit period for the time that a business' operations are affected by a force majeure event;
- (3) Providing businesses that are unable to meet the required increases in the number of annual full-time employees under the Program, the alternative of meeting annual gross revenue requirements; and
- (4) Including leased employees and employees under a joint employer relationship within the definition of "full-time employee."

The Department of Business, Economic Development, and Tourism, Office of Planning, Department of Agriculture, Maui County Farm Bureau, and Hawaii Aquaculture Association testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 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. 1923, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1923, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1093 Finance on H.B. No. 1239**

The purpose of this bill is to establish a funding mechanism to increase the effectiveness of the Department of the Attorney General (AG) in enforcing the false claims law against those who defrauded moneys from the State by:

- (1) Establishing the False Claims Trust Fund (Fund), into which shall be deposited 33 percent of any recovery from false claim actions that were initiated by the AG or subsequently assumed by the AG from a person who filed the civil action (qui tam action); and legislative appropriations; and
- (2) Providing that the Fund be administered and used by the AG for expenditures relating to the enforcement of false claim actions or qui tam actions for staff, experts, and other facilitating support for the actions.

The AG supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1239, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1239, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1094 Finance on H.B. No. 1614**

The purpose of this bill is to support efforts to reduce and eliminate drug nuisances by appropriating funds for the enforcement and prosecution of drug nuisance abatement laws and to fund additional positions in the Drug Nuisance Abatement Unit of the Department of the Attorney General (AG).

The AG 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 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. 1614, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1614, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1095 Finance on H.B. No. 1222**

The purpose of this bill is to improve efforts to assist aquacultural businesses and streamline the Aquaculture Loan Program (Program) by, among other things:

- (1) Establishing class E loans for new aquaculturists;
- (2) Raising the loan ceilings on class A and class B aquaculture loans to \$800,000;
- (3) Conforming Program requirements more closely to those of the Agriculture Loan Program by allowing a qualified aquaculturist to obtain a loan under the Program if two, instead of three, lenders deny credit;
- (4) Repealing the Aquaculture Loan Revolving Fund and making the Agricultural Loan Revolving Fund the funding source for aquacultural loans; and
- (5) Requiring the Director of Finance to increase the budget expenditure ceiling of the Agricultural Loan Revolving Fund by the amount of the budget expenditure ceiling of the Aquaculture Loan Revolving Fund.

The Department of Agriculture, University of Hawaii Sea Grant College Program, and Hawaii Aquaculture Association testified in support of this bill. The Hawaii Agriculture Research Center supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1222, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1222, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1096 Finance on H.B. No. 1525**

The purpose of this bill is to appropriate funds for a grant to the West Maui Soil and Water Conservation District to establish a working group to support and maintain sustainable livestock industry production in the state.

The West Maui Soil & Water Conservation District, Hawaii Agriculture Research Center, and Maui County Farm Bureau testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to an unspecified amount 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. 1525, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1525, H.D. 1.

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

**SCRep. 1097 Finance on H.B. No. 570**

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 pursuant to a contract with the Hawaii Tourism Authority (HTA).

The Department of Taxation, Department of Business, Economic Development, and Tourism, HTA, and The Chamber of Commerce of Hawaii supported this bill. The Tax Foundation of Hawaii 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. 570, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1098 Finance on H.B. No. 575**

The purpose of this bill is to enhance the safety and welfare of visitors and residents in Hawaii by:

- (1) Requiring the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) to request the Governor to declare that a tourism emergency exists if the Board of HTA determines that an adverse effect on Hawaii's tourism industry resulting from world conflict, terrorist threat, natural disaster, or disease outbreak may result in a substantial interruption of commerce in Hawaii and adversely affect the welfare of the people;
- (2) Upon the Governor's declaration that a tourism emergency exists, allowing HTA to implement measures to respond to the emergency;
- (3) Establishing the Tourism Emergency Trust Fund (Trust Fund) to provide for the implementation of emergency measures to respond to the tourism emergency; and
- (4) Specifying that, except for funds authorized for expenditure by the Legislature, funds in the Tourism Special Fund shall be deposited into the Trust Fund to maintain the balance of \$5,000,000.

The Department of Business, Economic Development, and Tourism, HTA, Hawaii Hotel & Lodging Association, and The Chamber of Commerce of Hawaii supported this bill. The Tax Foundation of Hawaii submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1099 Finance on H.B. No. 1719**

The purpose of this bill is to exempt the following from the general excise tax:

- (1) Amounts received by a submanager of an association of apartment owners or of certain nonprofit homeowners or community associations in reimbursement of sums paid for common expenses;
- (2) Amounts received by an operator of a hotel from a timeshare association for employee wage and benefit costs disbursed by the operator; and
- (3) Amounts received by a suboperator of a hotel from the owner of the hotel, a timeshare association, or operator of the hotel, for employee wage and benefit costs disbursed by the suboperator.

Wyndham Vacation Ownership, Inc., and Outrigger Hotels testified in support of this bill. ARDA-HI supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii 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. 1719, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1100 Finance on H.B. No. 1757**

The purpose of this bill is to provide relief to the property motor carrier industry by eliminating fines for second, third, and subsequent weight violations.

The Hawaii Transportation Association and Horizon Lines, LLC, testified in support of 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. 1757, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1101 Finance on H.B. No. 402**

The purpose of this bill is to broaden the use of the Land Conservation Fund by allowing its use:

- (1) For the payment of debt service relating to the acquisition of interests or rights in land having value as a resource to the State; and
- (2) To acquire interest or rights in land having value as an agricultural resource to the State.

The Department of Agriculture, Department of Land and Natural Resources, Hawaii Agriculture Research Center, Maui Land & Pineapple Company, Inc., and Hoaakalei 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. 402, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1102 Finance on H.B. No. 1353**

The purpose of this bill is to authorize the transfer of funds from the Hawaiian Home Receipts Fund into the Native Hawaiian Rehabilitation Fund.

The Hawaiian Homes Commission, Office of Hawaiian Affairs, State Council of Hawaiian Homestead Associations, 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. 1353, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1103 Finance on H.B. No. 5**

The purpose of this bill is to:

- (1) Help offenders:
  - (A) Reconcile with their victims; and

(B) Plan for their reintegration into the community;

and

(2) Empower victims to make decisions to repair the harm caused by offenders,

by appropriating funds and requiring the Department of Public Safety (DPS) to expand the Restorative Circles Pilot Program (Program), found to be successful at the Waiawa Correctional Facility, to other correctional facilities statewide.

The Community Alliance on Prisons and several concerned individuals testified in support of this bill. DPS 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 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. 5, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 5, H.D. 1.

Signed by all members of the Committee except Representatives Rhoads and Awana.

**SCRep. 1104 Finance on H.B. No. 195**

The purpose of this bill is to ensure public safety by appropriating funds to support the operations of the Hawaii Civil Air Patrol in its performance of vital local and national services, including disaster relief, search and rescue, homeland security, and medical emergency transport.

The Department of Defense, 66<sup>th</sup> Composite Squadron, Civil Air Patrol, and many 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. 195, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 195, H.D. 2.

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

**SCRep. 1105 Finance on H.B. No. 424**

The purpose of this bill is to assist in the repair of damages caused by the October 15, 2006, Kiholo Bay earthquake and improve Hawaii's readiness for future disasters.

This bill appropriates general funds for fiscal year 2006-2007 as follows:

(1) As state matching funds required to receive the federal funds that are available under the Robert T. Stafford Disaster Relief and Emergency Assistance Act;

(2) For the repair of state facilities damaged as a result of the earthquake, and for structural improvements to allow state facilities to better withstand future earthquakes and other disasters; and

(3) For emergency backup power generators for transportation, communication, and medical facilities around the state.

The Mayor of the County of Hawaii, Hawaii Farm Bureau Federation, Kukaiau Ranch, Big Island Land & Cattle, Cattle Operations Managers of Hawaii Beef Producers, and several concerned individuals testified in support of this bill. The Department of Agriculture and Department of Defense supported the intent of this measure. The National Resources Conservation Service of the United States Department of Agriculture and the representative of the 7<sup>th</sup> representative district offered comments.

Your Committee has amended this bill by:

(1) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements; 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. 424, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 424, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1106 Finance on H.B. No. 1345**

The purpose of this bill is to appropriate emergency funding for emergency relief operations statewide resulting from the October 15, 2006, Kiholo Bay Earthquake disaster.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 233 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates general funds for fiscal year 2006-2007 to:

(1) Cover operational expenses associated with earthquake disaster recovery efforts; and

- (2) Cover the 25 percent non-federal cost share for earthquake disaster recovery projects eligible under the Federal Emergency Management Agency's public assistance program.

The Judiciary, Department of Defense, Department of Education, Mayor of the County of Hawaii, Hawaii Farm Bureau Federation, and Daughters of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements;
- (2) Replacing the unspecified appropriation amount with \$18,189,896 to cover operational expenses associated with earthquake disaster recovery efforts;
- (3) Replacing the unspecified appropriation amount with \$5,810,104 to cover the twenty-five percent non-federal cost share for earthquake disaster recovery projects eligible under the Federal Emergency Management Agency's public assistance program;
- (4) Changing the effective date to upon approval; 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. 1345, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1345, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1107 Finance on H.B. No. 869**

The purpose of this bill is to appropriate funds to the University of Hawaii to conduct a study on energy-efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism (DBEDT).

The Energy Efficiency Working Group of the Hawaii Energy Policy Forum testified in support of this bill. DBEDT and the Hawaii Automobile Dealers' Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Removing the appropriation amount 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. 869, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 869, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1108 Finance on H.B. No. 724**

The purpose of this bill is to reduce the amount deducted from the City and County of Honolulu's surcharge on the State General Excise Tax to pay the State Department of Taxation (DOTAX) for the costs incurred by the State in the assessment, collection, and disposition of the county surcharge.

The Land Use Research Foundation of Hawaii and several concerned individuals testified in support of this bill. The Department of Budget and Fiscal Services of the City and County of Honolulu and Tax Foundation of Hawaii submitted comments.

Your Committee notes that no testimony, comments, or concerns on this measure were submitted by DOTAX.

Your Committee has amended this bill by:

- (1) Changing both the percentage of the deduction of the gross proceeds of the county surcharge on state tax and dollar amount to reimburse the State for the costs of assessment, collection, and disposition of the county surcharge to unspecified amounts;
- (2) Changing its 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. 724, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 724, H.D. 1.

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

**SCRep. 1109 Finance on H.B. No. 1414**

The purpose of this bill is to appropriate emergency funding to the Department of Taxation to address unbudgeted expenses to implement the administration of the county surcharge on state general excise tax.

Pursuant to the requirements set forth in Article VII, Section 9, of the Constitution of the State of Hawaii, the Governor, in her Governor's Message No. 240 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates general funds for fiscal year 2006-2007:

- (1) Assure that the City and County of Honolulu's (C&C) county surcharge on state general excise tax is not adversely impacted; and
- (2) Ensure the ability to obtain federal funding of C&C's mass transit project.

The Department of Taxation and Department of Budget and Fiscal Services of the City and County of Honolulu supported this bill.

Your Committee has amended this bill by:

- (1) Increasing the appropriation amount to \$5,000,000;
- (2) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements; 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. 1414, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1414, H.D. 1.

Signed by all members of the Committee except Representative Meyer.

**SCRep. 1110 Finance on H.B. No. 1605**

The purpose of this bill is to ensure a smoother flow of traffic by appropriating funds for the design of a Maui traffic control center that would:

- (1) Provide for appropriate traffic decisions and signal adjustments; and
- (2) Better inform motorists about traffic conditions, maximize traffic flow, and enhance public safety.

A member of the Maui County Council testified in support of this bill. The Department of Transportation supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation to direct funding to the development and implementation of an Intelligent Transportation System architectural plan for Maui, which includes a Maui Traffic Control Center;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the purpose language to reflect the amendments made to the bill.

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

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

**SCRep. 1111 Finance on H.B. No. 1631**

The purpose of this bill is to allow the State to measure the success of its High Technology Business Investment Tax Credit by requiring that:

- (1) A qualified high technology business (QHTB), by claiming the investment credit under section 235-110.9, Hawaii Revised Statutes (HRS), or the research activities credit under section 235-110.91, HRS, agrees to public disclosure of the name of their company;
- (2) QHTBs must file an annual report with the Department of Taxation (DoTax) containing information about their employment positions in the State;
- (3) DoTax must report this information in aggregate form to the Legislature each year, as well as the names of QHTBs receiving the credits; and
- (4) DoTax must use this information to evaluate how successful the investment and research credits have been and report its conclusions to the Legislature.

DoTax, Hawaii Aquaculture Associates, PacificCap Group, Oceanic Imaging Consultants, Inc., Archinoetics, LLC, Sunrise Capital, Inc., Oceanit, Hawaii Angels-Maui Chapter, Cardax Pharmaceuticals, Hawaii Science and Technology Council, and numerous individuals testified in opposition to this bill. The Department of Business, Economic Development, and Tourism and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Requiring the assessment of a \$1,000 per month penalty for each month the annual survey is not filed by a QHTB up to a maximum of three months;
- (2) Requiring DoTax to prepare a report by October 2007, with summarized data submitted by QHTBs in form N-317 for all previous years available that includes summary descriptive statistics regarding the nature of qualified research activities, job creation, and salaries paid by QHTBs;
- (3) Requiring DoTax to ensure that reporting requirements under the annual survey do not duplicate other departmental reporting requirements;
- (4) Specifying that the additional reporting requirements are only applicable to QHTBs and not individual investors; 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. 1631, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1631, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1112 Finance on H.B. No. 1670**

The purpose of this bill is to facilitate the development of intellectual property in Hawaii by establishing the Ingenuity Company chartered by the State to acquire, invest in, license, use, and sell intellectual property for the benefit of inventors, labor unions, and public educators, and to enforce intellectual property rights of inventors.

The American Federation of Television and Radio Artists, Professional Inventors Alliance, Vivalog Technologies, Hawaii State AFL-CIO, UNITE HERE! Local 5 Hawaii, and several concerned individuals testified in support of this bill. ILWU Local 142 and a concerned individual supported the intent of this measure. The Department

of Budget and Finance opposed this measure. The Department of Education and the Business Registration Division of the Department of Commerce and Consumer Affairs offered comments.

Your Committee has amended this measure by:

- (1) Deleting the provisions requiring labor union members and investor members to be managed by the Ingenuity Company; 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. 1670, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1670, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1113 Finance on H.B. No. 764**

The purpose of this bill is to encourage voter participation in elections by allowing voters to apply for permanent absentee voter status.

Several concerned individuals testified in support of this bill. The Office of Elections 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. 764, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 764, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1114 Finance on H.B. No. 1047**

The purpose of this bill is to include marriage and family therapy among the mental illness, alcohol, and drug dependence benefits required within the hospital and medical coverage offered under accident and sickness insurance policies and similar insurance products.

The Bobby Benson Center, Hawaii Psychological Association, Mental Health America of Hawaii, Hawaii Association of Marriage and Family Therapy, Hale Ipu Kukui Alaka'i, Mental Health Association in Maui County, Mental Health Kokua, The Salvation Army Addiction Treatment Services, Marriage and Family Therapy Program at Argosy University Hawaii Campus, and numerous concerned individuals supported 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 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. 1047, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1047, H.D. 3.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1115 Finance on H.B. No. 1373**

The purpose of this bill is to appropriate emergency funding to the Department of Health (DOH) to ensure the State's compliance with the federal Individuals with Disabilities Education Improvement Act of 2004 (IDEA). Specifically, this bill appropriates general funds for fiscal year 2006-2007 to provide additional early intervention services to meet the increased needs of infants and children with developmental delay or at biological or environmental risk for developmental delay.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 237 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

DOH, State Council on Developmental Disabilities, Hawaii Chapter-American Physical Therapy Association, Easter Seals Hawaii, and the Center on Disability Studies testified in support of this bill.

Your Committee has amended this bill by:

- (1) Decreasing the appropriation amount from \$5,299,809 to \$4,419,644 to reflect an increased amount of Early Intervention Special Funds used to help cover the anticipated deficit;
- (2) Adding a new section which provides the reasons why and the amount and rate by which the appropriation contained in this bill exceeds the state spending limit to comply with statutory and constitutional requirements; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1373, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1373, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1116 Finance on H.B. No. 1475**

The purpose of this bill is to establish a monthly personal allowance (MPA) of \$50 for individuals living in adult residential care home facilities, developmental disabilities domiciliary homes, community care foster family homes, adult foster homes, domiciliary care residences and facilities, nursing facilities, and residential alternatives for individuals served by the Residential Alternatives Community Care Program.



The Department of Human Services, State Council on Developmental Disabilities, Disability and Communication Access Board, the Mayor of the County of Hawaii, Policy Advisory Board for Elder Affairs, Hawaii Long Term Care Association, Hawaii Coalition of Care Home Administrators, National Alliance on Mental Illness – Oahu, Healthcare Association of Hawaii, Mental Health America of Hawaii, the State Long Term Care Ombudsman, National Association of Social Workers, and numerous concerned individuals supported this bill. The Department of Taxation submitted comments.

Your Committee has amended this bill by:

- (1) Removing the provision which allowed for annual increases in the MPA;
- (2) Deleting the provision that excluded the MPA from gross income, adjusted gross income, and taxable income;
- (3) Removing the provision that exempted the MPA from general excise tax;
- (4) Changing the effective date to July 1, 2020, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1475, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1475, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1117 Finance on H.B. No. 149**

The purpose of this bill is to provide relief to victims of the October 15, 2006, earthquake by establishing a one-time nonrefundable earthquake victim tax credit.

The Department of Taxation submitted comments.

Your Committee has amended this bill by:

- (1) Removing the tax credit calculation language, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 149, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 149, H.D. 2.

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

**SCRep. 1118 Finance on H.B. No. 436**

The purpose of this bill is to improve healthcare access in Hawaii by requiring medical assistance programs such as Medicaid and QUEST, to include chiropractic coverage.

The Hawaii State Chiropractic Association and American Chiropractic Association testified in support of this bill. The Department of Human Services 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. 436, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 436, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1119 Finance on H.B. No. 531**

The purpose of this bill is to amend Hawaii's early intervention services law to be consistent with the Individuals with Disabilities Education Act of 2004.

The Cure Autism Now Foundation, Hawaii Down Syndrome Congress, The Aloha Place, and numerous concerned individuals testified in support of this bill. The State Council on Developmental Disabilities supported the intent of this measure. The Department of Health, Center on Disability Studies, and Hawaii Early Intervention Coordinating Council opposed this bill. 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. 531, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 531, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1120 Finance on H.B. No. 715**

The purpose of this bill is to support the creation of an agricultural industry on the island of Lanai by appropriating funds to assist in payment for water provided by the island's private water supplier, Lanai Water Company, who has committed to match state subsidies for the purchase of water by farmers on Lanai.

Castle and Cooke and a concerned individual supported this bill. The Department of Agriculture supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that no funds will be expended unless matched dollar-for-dollar by Lanai Water Company;
- (2) Changing the effective date to July 1, 2020, to facilitate 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. 715, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 715, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1121 Finance on H.B. No. 899**

The purpose of this bill is to appropriate funds for the University of Hawaii (UH) Center for Conservation Research and Training to develop integrated strategies for food and energy crop production in two phases:

- (1) In Phase 1, research and development will be conducted to develop the best strategies consistent with comprehensive agricultural management practices to facilitate sustainable production of crops through long-term enhancement of soil quality using ecologically responsible means; and
- (2) In Phase 2, federal and other funding will be identified and solicited to coordinate implementation and ecological monitoring of a pilot demonstration of the dual-purpose soil amendment/energy production facility developed in Phase 1.

The Joule Junction, LLC, Kauai County Farm Bureau, Hawaiian Mahogany, Inc., and a concerned individual testified in support of this bill. The UH John A. Burns School of Medicine supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriations to unspecified amounts 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. 899, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 899, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1122 Finance on H.B. No. 902**

The purpose of this bill is to provide financial incentives for agricultural development by establishing an important agricultural land agricultural business tax credit (Tax Credit) amounting to 100 percent of the qualified agricultural costs incurred by an agricultural business.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Land Use Research Foundation of Hawaii, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., supported this bill. The Department of Agriculture (DOA) and the Hawaii Agriculture Research Center supported the intent of this bill. The Department of Taxation (DOTAX), Agribusiness Development Corporation (ADC), and the Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Appropriating funds to DOA, instead of ADC, for administrative costs of the Tax Credit;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 902, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 902, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1123 Finance on H.B. No. 1220**

The purpose of this bill is to provide a dedicated source of revenue for the Seal of Quality Program (Program) by establishing the Seal of Quality Special Fund (Fund) to support the Program's operations.

The Department of Agriculture (DOA), Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Green Point Nurseries, Manoa Honey Company, Kona Pacific Farmers Cooperative, Hawaiian Vanilla Company, and Nalo Farms testified in support of this bill.

Your Committee has amended this bill by:

- (1) Making an appropriation out of the Fund to be expended by DOA for the Program;
- (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. 1220, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1220, H.D. 1.

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

**SCRep. 1124 Finance on H.B. No. 1615**

The purpose of this bill is to promote the development of a viable, local, shellfish aquaculture industry by appropriating funds to conduct a feasibility and cost study to determine the statutory and administrative rule changes, staffing requirements, laboratory support requirements, research requirements, and training and technical assistance needs, to develop a shellfish aquaculture industry in Hawaii.

The Department of Agriculture, Hawaii Aquaculture Association, Aquatic Innovations, Cyanotech Corporation, Kona Bay Marine Resources, and several concerned individuals testified in support of this measure. The Oceanic Institute supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1615, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1615, H.D. 1.

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

**SCRep. 1125 Finance on H.B. No. 379**

The purpose of this bill is to increase witness' daily fees from \$20 to \$55 and the per diem paid to witnesses who travel from out of state, and who travel inter-island and stay overnight, from \$110 to \$160 per day to attend court proceedings.

The Hawaii Tourism Authority, Department of Prosecuting Attorney, and Office of the Public Defender testified in support of this bill. The Department of Budget and Finance provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 379, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1126 Finance on H.B. No. 600**

The purpose of this bill is to help secure the legal rights of non-English-speaking persons participating in legal proceedings by requiring the Judiciary to establish and operate a statewide court interpreter orientation, testing, and certification program.

The Domestic Violence Clearinghouse and Legal Hotline, Hawaii Interpreter Action Network, National Association of Judiciary Interpreters and Translators, Centro Hispano de Hawaii, United Filipino Council of Hawaii, Filipino Coalition for Solidarity, Philippine Nurses Association-Hawaii, Congress of Visayan Organizations, Oahu Filipino Community Council, Japan-America Society of Hawaii, and numerous concerned individuals testified in support of this bill. The Disability and Communication Access Board supported this measure with amendments. The Hawaii Civil Rights Commission supported the intent of this bill. The Judiciary 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. 600, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1127 Finance on H.B. No. 1133**

The purpose of this bill is to eliminate impediments to voting by allowing voters to register on the day of the primary, special primary, special, general, or special general election.

The Office of Elections, American Civil Liberties Union of Hawaii, The League of Women Voters 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. 1133, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1128 Finance on H.B. No. 1767**

The purpose of this bill is to ensure that the selection of contractors for public construction projects over \$150,000 or planning or studies exceeding \$25,000 provides the State with the best value by establishing a new procurement procedure for design-build contracts that is similar to the professional services procurement process and allows consideration of the contractors' history of performance, adequacy of personnel, past record, experience, and other factors.

The International Union of Elevator Constructors Local 126 and Hawaii Building & Construction Trades Council, AFL-CIO, testified in support of this bill. The Department of Accounting and General Services and the State Procurement Office 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. 1767, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1129 Finance on H.B. No. 687**

The purpose of this bill is to provide an alternative to the corporate model that would allow better representation of the public interest by creating a task force to:

- (1) Determine how to authorize the establishment of corporations structured to recognize, as corporate interests, the interests of employees and of the public in areas such as wages, the environment, and consumer protection; and
- (2) Provide incentives for incorporation of responsible companies that not only consider the public interest in doing business but integrate the public interest into the structure and duties of the business.

Natural Investment Services, Inc., Inner Ocean Publishing, Inc., Brilliant Voices, and a concerned individual testified in support of this bill. The Business Registration Division of the Department of Commerce and Consumer Affairs and The Chamber of Commerce of Hawaii opposed this measure. Vantage Counsel, LLC, 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. 687, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representatives Belatti, Meyer and Ward voted no.)

**SCRep. 1130 Finance on H.B. No. 483**

The purpose of this bill is to protect the people of Hawaii from unscrupulous financial services by requiring the Department of Commerce and Consumer Affairs (DCCA) to regulate the check cashing industry through licensing requirements.

The Legal Aid Society of Hawaii and Aloha United Way testified in support of this bill. DCCA, The Hawaii Alliance for Community-Based Economic Development, and Advanced Payday testified in support of the intent of this measure. The Department of Taxation opposed this bill. The Financial Service Providers of Hawaii submitted comments on this measure.

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

Signed by all members of the Committee.

**SCRep. 1131 Finance on H.B. No. 1323**

The purpose of this bill is to establish a maximum annual premium tax of \$200,000 that is paid by captive insurance companies on gross premiums.

The State Insurance Commissioner testified in support of this bill. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1323 and recommends that it pass Third Reading.

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

**SCRep. 1132 Finance on H.B. No. 1377**

The purpose of this bill is to enable the Hawaii Health Systems Corporation (HHSC) to meet its increased operational cost requirements by increasing the expenditure ceiling of the Health Systems Special Fund by \$41,000,000 for fiscal year 2006-2007.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 238 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

HHSC testified in support of this bill.

Your Committee heard concerns over the current level of the accounts receivables for HHSC and its nexus to the emergency appropriation request.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1377 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1133 Finance on H.B. No. 1**

The purpose of this bill is to improve the process for adult offenders to reenter into the community by establishing a comprehensive offender reentry system, which:

- (1) Assists adult offenders with their reintegration back into the community;
- (2) Facilitates restorative justice practices and the convening of impact panels and educational classes; and
- (3) Offers a full continuum of services that are accessible during and immediately after their incarceration.

The American Civil Liberties Union, Community Alliance on Prisons, TJ Mahoney & Associates, Hawaii Substance Abuse Coalition, Maui Economic Opportunity, Inc., Drug Policy Forum of Hawaii, and several concerned individuals supported this bill. The Department of Public Safety, Hawaii Paroling Authority, Department of Education, and Department of Labor and Industrial Relations supported the intent of this measure. The Department of Taxation (DOTAX) and Department of Human Services (DHS) opposed this bill. The Department of the Attorney General submitted comments.

Your Committee finds that there is a great need for a comprehensive reintegration plan for inmates. However, your Committee also recognizes the concerns that were raised by testifiers on this measure. As currently drafted, this measure may allow parolees to remain in contact with mentors who remain incarcerated and find that this may distract persons who are taking steps to reintegrate back into the community.

Your Committee also notes concerns raised that DHS may be required to extend child protective services to all children of incarcerated parents and all parents who are incarcerated, regardless of whether they are under the jurisdiction of DHS and the Family Court. While these issues may not be the intent of this measure, your Committee believes that the concerns warrant further discussion as this measure moves through the legislative process.

Your Committee also notes the concerns that DOTAX may not be qualified to establish policy regarding granting incentives to employers who hire formerly incarcerated persons, and that the task should be left to the proper department in consultation with DOTAX.

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

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

**SCRep. 1134 Judiciary on H.B. No. 38**

The purpose of this bill is to make permanent certain protections from liability provided to state and county governments relating to:

- (1) Public use of public beach parks; and
- (2) Acts or omissions of lifeguards while providing lifeguard services within the scope of their employment.

The Attorney General, Department of Land and Natural Resources, Mayor of Kauai County, Office of Economic Development of the County of Kauai, Kauai County Council, Maui County Council, City Council of the City and County of Honolulu, Hawaii County Council, Mayor of Hawaii County, Hawaii State Association of Counties, Kauai County Fire Department, Kauai Visitors Bureau, State Fire Council, Honolulu Fire Department, Hawaiian Lifeguard Association, Hawaii Government Employees Association, Hui Ho'omalulu I Ka' Aina, Kauai Chamber of Commerce, Kauai Lifeguard Association, Sheraton Kauai Resort, and several concerned individuals supported this bill. The Department of the Corporation of the City and County of Honolulu and the Honolulu Emergency Services Department supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Making it effective upon its approval; 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. 38, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 38, H.D. 2.

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

**SCRep. 1135 Judiciary on H.B. No. 373**

The purpose of the bill is to prevent scrap metal theft by:

- (1) Requiring scrap dealers to collect more information regarding the source of the scrap and seller identity from sellers of scrap; and
- (2) Increasing the penalties for related offenses.

The Honolulu Police Department and the Kuliouou/Kalani Iki Neighborhood Board #2 testified in support of this bill. The Department of the Attorney General and the Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting most of the substance of House Bill No. 1246, which provides measures to prevent copper theft. The only provision omitted from House Bill No. 1246 was that making copper theft a felony. Specifically, as amended this bill:

- (1) Allows only the seller, and not the seller's agent to provide written certifications to sell scrap metal;
- (2) For sales of copper, requires scrap dealers to obtain and keep either:
  - (a) A copy of a receipt; or
  - (b) A notarized declaration providing information for the copper being sold;
- (3) Requires scrap dealers to report to the police attempted sales of copper when the seller does not provide the necessary information;
- (4) Requires scrap dealers to take and keep photographs of any copper purchased;
- (5) Requires scrap dealers to verify the seller's valid photo identification;
- (6) Allows the Attorney General, Prosecuting Attorney, or their designee to inspect records kept by scrap dealers required under this law; and
- (7) Establishes fines and license suspensions for scrap dealer violations.

This bill has been further amended by:

- (1) Requiring scrap dealers to also take and keep photographs of the seller of the copper;
- (2) Requiring scrap dealers to make and keep copies of the seller's valid photo identification;
- (3) Exempting sellers who are public utility companies from the requirements of this law except those requiring a photo record of the copper and photo identification of the seller;
- (4) Increasing the fines for scrap dealer violations;
- (5) Changing the effective date to January 1, 2112, to encourage further discussion; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 373, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 373, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1136 Judiciary on H.B. No. 408**

The purpose of this bill is to create a buffer zone to protect farming operations by prohibiting industrial, commercial, or residential development within an unspecified number of feet from the property line of any parcel in which farming operations are being conducted.

The Hawaii Farm Bureau Federation and Maui County Farm Bureau supported this bill. The Hawaii Agriculture Research Center supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu, Hawaii Association of REALTORS, Kuilima Resort Company, and the Land Use Research Foundation of Hawaii opposed this bill.

Your Committee has amended this measure by:

- (1) Narrowing the scope of the prohibition by specifying that the farming operations contained in this bill are bona fide farming operations that have been conducted for at least an unspecified number of years prior to the development;
- (2) Inserting a definition of "bona fide farming operations"; 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. 408, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 408, H.D. 2.

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

**SCRep. 1137 Judiciary on H.B. No. 527**

The purpose of this bill is to protect Hawaii's communities from the health risks posed by cigarettes by, among other things, prohibiting:

- (1) The sale and distribution of flavored tobacco products;
- (2) Cigarette sales from self-service displays, except for cigarette vending machines; and
- (3) Smoking on all public beaches and in all public parks.

The Attorney General, American Cancer Society, American Heart Association, Coalition for a Tobacco Free Hawaii, Hawaii Audubon Society, and numerous concerned individuals supported this bill. Numerous concerned individuals opposed this measure. Several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the provisions prohibiting the sale and distribution of flavored tobacco products;
- (2) Deleting the provisions prohibiting smoking on all public beaches and in all public parks; 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. 527, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 527, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1138 Judiciary on H.B. No. 1499**

The purpose of this bill is to strengthen the Department of Land and Natural Resources' (DLNR) and specifically the Division of Conservation and Resources Enforcement's (DOCARE's) ability to enforce the State's aquatic resources laws by authorizing any DOCARE officer or other enforcement officer of the State to conduct administrative examinations and inspections of bags, containers, vehicles, or conveyances used to transport aquatic life without probable cause, under written consent obtained when issuing licenses or permits under Subtitle 5 of Title 12, Hawaii Revised Statutes (HRS).

This bill also provides that refusal to comply with the administrative search results in immediate revocation of the permit or license.

The Nature Conservancy of Hawaii, the Ocean Law & Policy Institute of the Pacific Forum CSIS, the Pacific Fisheries Coalition, and a concerned individual testified in support of this bill. DLNR, the Sierra Club, Hawaii Chapter, Hawaii Audubon Society, and Malama Hawaii supported this measure with amendments. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that no person shall refuse an examination and inspection to determine compliance with the terms of registration, and that refusal shall result in immediate revocation;
- (2) Exempting the refusal to grant an examination or inspection from the penalties under section 187A-13, 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. 1499, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1499, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1139 Judiciary on H.B. No. 1707**

The purpose of this bill is to provide individuals with a direct kuleana to natural, historical, and cultural resources of the state, or a responsibility to protect these resources, with meaningful access to those resources by authorizing the Department of Land and Natural Resources (DLNR) to disclose government information on cave location and resources to the Office of Hawaiian Affairs, the appropriate island burial council, and the recognized descendants of those entombed in the burial sites located within the land parcel on which the cave is located.

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

Your Committee has amended this bill by:

- (1) Clarifying that the descendants to whom the confidential information may be disclosed must be lineal descendants;
- (2) Changing the effective date to January 1, 2112, 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. 1707, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1707, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1140 Judiciary on H.B. No. 1832**

The purpose of this bill is to balance the need to preserve the scenic beauty and safety of our islands with the freedom of expression by placing reasonable restrictions on signs on certain types of property. Specifically, this bill requires signs, billboards, and other outdoor advertising devices on residential and agricultural property to:

- (1) Be under four feet by two feet, up to a cumulative area of sixteen square feet;
- (2) Be under eight feet by four feet, up to a cumulative area of sixty-four square feet in common areas of multi-unit residential structures with four or more units; and
- (3) Not be displayed in return for any payment, fee, or valuable consideration.

Na Leo Pohai 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 the Attorney General provided comments.

Your Committee finds that the restrictions on signage established in this measure may not be appropriate for agricultural areas, and has therefore amended this bill by eliminating the application of the provisions of this bill to agricultural property.

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

- (1) Changing the effective date to January 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee also takes note of concerns expressed that a single restriction on total square footage of allowable signs at one location might be a workable alternative to the combination of both individual and aggregate restrictions included 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. 1832, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1832, H.D. 1.

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

**SCRep. 1141 Judiciary on H.B. No. 1833**

The purpose of this bill is to prohibit the practice of mandating the use of certain surety producers or surety insurers by applicants when a bid, payment, or performance bond is required to ensure the performance of any real property construction contract.

The General Contractors Association of Hawaii, Island Insurance Companies, and King & Neel, Inc., testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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. 1833, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1833, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1142 Judiciary on H.B. No. 1830**

The purpose of this bill is to provide a safe haven for newborns by:

- (1) Providing immunity from prosecution for persons leaving an unharmed newborn at a hospital, fire station, or police station, or with emergency medical services personnel, within seventy two hours of birth;
- (2) Providing immunity from liability the hospital, fire station, police station, or emergency services personnel who receive the newborn; and
- (3) Requiring that the individual leaving the newborn provide written information on the family medical history of the child; and
- (4) Requiring personnel to make a reasonable effort to obtain certain information pertaining to the child from the person leaving the child.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii and several concerned individuals testified in support of this bill. The Healthy Mothers, Healthy Babies Coalition of Hawaii and a concerned individual supported the intent of this measure. The Department of Human Services opposed this bill.

Your Committee has amended this bill by:

- (1) Removing language from the definition of "police officer";
- (2) Changing the effective date to January 1, 2112, 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. 1830, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1830, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1143 Finance on H.B. No. 34**

The purpose of this bill is to express Hawaii's opposition to the humanitarian crisis presently occurring in the Darfur Region of Sudan by prohibiting the Employees' Retirement System (ERS) from investing in securities of companies that have active business operations with Sudan.

The Lieutenant Governor, Department of Business, Economic Development, and Tourism, Hawaii Family Forum, Roman Catholic Church in Hawaii, Hawaii Catholic Conference, Hawaii Coalition for Darfur, Hawaii Committee for Africa, Sudan Divestment Task Force, Calvary Chapel Central Oahu, The League of Women Voters of Hawaii, University of Hawaii Professional Assembly, Hawaii Reserves, Inc., Japanese American Citizens League-Honolulu Chapter, Americans for Democratic Action-Hawaii Chapter, and numerous individuals testified in support of this bill. The ERS 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. 34 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1144 Finance on H.B. No. 852**

The purpose of this bill is to allow all elective officers who attain the age of 65 to retire and receive a service retirement allowance while continuing to fill their elective position.

A member of the Kauai County Council, several members of the City Council of the City and County of Honolulu, a member of the Hawaii County Council, the Hawaii State Teachers Association, and a concerned individual testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. The Department of Budget and Finance did not support this bill. The Employees' Retirement System Board of Trustees 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. 852 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1145 Finance on H.B. No. 1366**

The purpose of this bill is to clarify the special separation incentive benefit afforded to public employees by:

- (1) Clarifying that the Department of Human Resources Development's (DHRD) authority to provide separation incentives is limited to the various departments and agencies of the Executive Branch, excluding the Department of Education;
- (2) Clarifying that DHRD's authority does not extend to departments and agencies in other personnel jurisdictions;
- (3) Clarifying that separation incentive provisions are applicable to and shall be complied with by other jurisdictions, whenever they opt to participate and use special retirement incentives;
- (4) Including Class H members of the Employees' Retirement System (ERS) among the members qualified for the special incentive retirement benefit;
- (5) Lengthening the time period to notify the ERS from 90 to 150 days prior to an employee's retirement date; and
- (6) Extending the special retirement incentive benefit for an additional five years to 2013.

DHRD 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. 1366 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1146 Finance on H.B. No. 1561**

The purpose of this bill is to establish labor representation procedures in real property development projects in which the State or counties have an ongoing proprietary interest.

ILWU Local 142 and the Hawaii State AFL-CIO supported this bill. The Department of Labor and Industrial Relations 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. 1561 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Tokioka and Ward.

**SCRep. 1147 Finance on H.B. No. 569**

The purpose of this bill is to enable the public and private sectors, including state and county agencies, to explore ways to revitalize Waikiki in a cooperative and creative manner by establishing a temporary Tourism Economic District Taskforce (Taskforce) to identify and designate one particular district within Waikiki to be the Tourism Economic District.

The Department of Business, Economic Development, and Tourism testified in support of the intent of this bill. The Hawaii Tourism Authority submitted comments on this measure.

Your Committee recognizes the importance of Waikiki with regard to the State's economy and realizes that the Taskforce must work with the City and County of Honolulu in order for the revitalization of Waikiki to come to fruition.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 569 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har and Sagum.

**SCRep. 1148 Finance on H.B. No. 1352**



The purpose of this bill is to begin planning to celebrate Hawaii's admission to statehood by establishing the 50<sup>th</sup> Anniversary of Statehood Commission to plan and coordinate various activities to celebrate and commemorate this occasion.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1352, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1149 Finance on H.B. No. 567**

The purpose of this bill is to encourage safe motor sports recreation by requiring the Department of Accounting and General Services (DAGS) to conduct a study to determine the cost of developing an all-purpose motor sports facility on Oahu, including costs of:

- (1) Land acquisition;
- (2) Construction; and
- (3) Startup, maintenance, and operation.

DAGS testified in support of the intent of this bill. A concerned individual submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 567, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1150 Finance on H.B. No. 962**

The purpose of this bill is to improve access to, and the quality of, health care provided to patients suffering from chronic kidney disease by appropriating funds as a grant-in-aid for the St. Francis Healthcare Foundation to support the modified home care and community health demonstration project.

The Department of Health, two members of the Board of Trustees of the Office of Hawaiian Affairs (OHA), National Kidney Foundation of Hawaii, and St. Francis Healthcare Foundation supported this bill. OHA 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. 962 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har and Sagum.

**SCRep. 1151 Finance on H.B. No. 1096**

The purpose of this bill is to assist low- and moderate-income taxpayers with purchasing a principal residence in sustainable affordable housing developments by providing qualified buyers with an income tax credit based on a percentage of the buyer's annual mortgage interest payment.

The Hawaii Association of REALTORS and UniDev Hawaii, LLC. supported this bill. The Department of Taxation 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 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. 1096, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1096, H.D. 1.

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

**SCRep. 1152 Finance on H.B. No. 895**

The purpose of this bill is to provide the counties and tow companies with the tools necessary to take custody and properly dispose of abandoned vehicles in a more efficient manner.

Specifically, this measure:

- (1) Allows counties to increase registration fees and thereby increase deposits into the Highway Beautification And Disposal Of Abandoned Or Derelict Vehicles Revolving Fund to defray costs associated with the storage of abandoned or derelict vehicles;
- (2) Increases towing, storage, and overtime fees that towing companies are currently allowed to charge; and
- (3) Decreases the number of days in which the owner of the towed motor vehicle must be notified.

The Hawaii State Towing Association 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. 895, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 895, H.D. 2.

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

**SCRep. 1153 Finance on H.B. No. 1211**

The purpose of this bill is to provide parity for attorneys appointed as guardians ad litem and counsel in Family Court civil cases by increasing their fees.

The Judiciary testified in support of this bill. The Department of Budget and Finance submitted comments on this measure.

Your Committee has amended this bill by changing its effective date to July 1, 2020, to continue 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. 1211, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1211, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1154 Finance on H.B. No. 1270**

The purpose of this bill is to improve government decision-making through improved access to, and ability to share agency geospatial information, by:

- (1) Updating the Office of Planning's (OP's) duties with regard to managing and coordinating a statewide geospatial information and data integration program;
- (2) Requiring agencies to provide OP with their respective geospatial data; and
- (3) Establishing a statewide Geospatial Information and Data Integration Special Fund.

The Department of Health, OP, Department of Agriculture, Department of Planning and Permitting of the City and County of Honolulu, Pacific Disaster Center and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Stipulating that all interest on special fund balances shall accrue to the special fund;
- (2) Removing specific appropriation amounts; 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. 1270, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1270, H.D. 2.

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

**SCRep. 1155 Finance on H.B. No. 56**

The purpose of this bill is to work towards providing healthcare insurance for all Hawaii residents by establishing the Hawaii Health Commission to develop a comprehensive health plan that includes:

- (1) Determination of eligibility for the health plan;
- (2) Determination of all reimbursable services under the plan;
- (3) Determination of all approved providers of services under the plan;
- (4) Evaluation of the quality and cost-effectiveness of all aspects of the plan; and
- (5) Establishment of a budget for the plan.

The Healthcare Association of Hawaii, Hawaii Alliance for Retired Americans, National Alliance on Mental Illness-Oahu, National Association of Social Workers–Hawaii Chapter, Hawaii Government Employees Association, and several concerned individuals testified in support of this bill. ILWU Local 142 testified in support of the intent of this measure. The Department of Commerce and Consumer Affairs and Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 56, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 56, H.D. 3.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1156 Finance on H.B. No. 1120**

The purpose of this bill is to improve the State's ability to address the current dental health care crisis by appropriating funds to the Department of Health to establish or expand community-based dental health clinics operated by federally-qualified health centers to provide a continuum of dental care to QUEST-eligible adults and children, individuals with developmental disabilities, and the uninsured.

The State Council on Developmental Disabilities, Hawaii Primary Care Association, Kokua Council, Molokai Ohana Health Care, Inc., Waikiki Health Center, Hamakua Health Center, Inc., Kalihi-Palama Health Center, West Hawaii Community Health Center, Inc., Community Clinic of Maui, Hoola Lahui Hawaii, Bay Clinic, Inc. Community Health Center, and several concerned individuals 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 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. 1120, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1120, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1157 Finance on H.B. No. 1371**

The purpose of this bill is to appropriate emergency funding necessary to cover increasing expenses relating to the ongoing operation, services, and activities of the Developmental Disabilities Division of the Department of Health (DOH).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 235 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$4,980,523 out of general revenues and \$4,111,237 from the Developmental Disabilities Interdepartmental Transfer Fund (Transfer Fund) for fiscal year 2006-2007 to be used to:

- (1) Sustain the ongoing operation and services of the Developmental Disabilities Division of the DOH;
- (2) Provide individuals with developmental disabilities or mental retardation, home- and community-based services;
- (3) Increase admission into Medicaid State Plan Intermediate Care Facilities for the Mentally Retarded in the Community Program; and
- (4) Ensure DOH's ability to receive federal Medicaid reimbursements.

The appropriated amounts are to be expended by DOH.

DOH, the State Council on Developmental Disabilities, and Hawaii Waiver Providers Association supported this bill.

Your Committee has amended this bill by:

- (1) Changing the fiscal year for the appropriation from the Transfer Fund to 2006-2007 to accurately reflect the emergency appropriation; 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. 1371, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1371, H.D. 2.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1158 Finance on H.B. No. 1435**

The purpose of this bill is to support the Honolulu Symphony's fundraising efforts in providing private funds to match state general funds previously appropriated for the State of Hawaii Endowment Fund under Act 97, Session Laws of Hawaii, by:

- (1) Extending the lapse date of general funds appropriated under Act 97 for the State of Hawaii Endowment Fund to June 30, 2009; and
- (2) Including pledges as funds which may be used to match the general funds.

The Honolulu Symphony, Hawaii International Choral Festival, Commercial Data Systems, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying that the funds appropriated must be matched as provided by the law establishing the State of Hawaii Endowment Fund; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1435, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1435, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1159 Finance on H.B. No. 751**

The purpose of this bill is to support workforce and economic development by:

- (1) Extending the time period in which the Department of Labor and Industrial Relations (DLIR) may expend Reed Act monies appropriated under Act 190, Session Laws of Hawaii 2006 (Act 190);
- (2) Removing restrictions placed on funds used by the Workforce Development Council that conflict with federal restrictions; and
- (3) Provide DLIR with up to 10 percent of these funds for administrative purposes.

DLIR, the Workforce Development Council, and the Workforce Investment Boards of the City and County of Honolulu, County of Maui, County of Hawaii, and County of Kauai testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to June 29, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 751, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 751, H.D. 1.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1160 Finance on H.B. No. 758**

The purpose of this bill is to protect employees by:

- (1) Broadening the definition of "employee" under Hawaii's Wage and Hour Law by repealing the existing exclusion of persons whose wages or hours are governed by the Federal Fair Labor Standards Act; and
- (2) Requiring employers who employ 50 or more employees to allow rest or meal periods for employees who work more than five consecutive hours, unless otherwise provided for in a collective bargaining agreement.

ILWU Local 142, Hawaii State AFL-CIO, Hawaii State Teachers Association, and UNITE HERE! Local 5 supported this bill. The Department of Labor and Industrial Relations, National Federation of Independent Businesses, The Hawaii Business League, Retail Merchants of Hawaii, Society for Human Resource Management – Hawaii Chapter, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited, opposed this bill. Covanta Energy Corporation submitted comments.

Your Committee has amended this measure by:

- (1) Excluding the operator of a continuously operating facility that is regulated by an environmental permit from the rest or meal period requirement; provided that an on-duty meal period is provided; 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. 758, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 758, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1161 Finance on H.B. No. 760**

The purpose of this bill is to ensure that workers providing services under state-funded service contracts are paid at least a wage that provides an annual income equivalent to the most current annual federal poverty guideline for Hawaii for a family of four. This measure also requires that contracts subject to the wage requirements contain certain provisions allowing the organizing of employees.

The ILWU Local 142 testified in support of this bill. The Department of Labor and Industrial Relations opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 760, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 760, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1162 Finance on H.B. No. 763**

The purpose of this bill is to make adjustments to the workers' compensation statute to ensure efficiency and fairness. Among other things, this bill:

- (1) Exempts individuals holding ownership of at least 50 percent in an employing unit, including corporations, partnerships, limited liability partnerships, and sole proprietorships from workers' compensation requirements if the individual chooses to be excluded, provided that the exclusion shall be irrevocable for five years;
- (2) Exempts service performed by a partner for the partnership, a partner of a limited liability partnership, and sole proprietor for the sole proprietorship from workers' compensation requirements;
- (3) Prevents essential medical services from being discontinued in the event of a dispute, until the Director of Labor (Director) renders a decision on whether medical treatment should be continued;
- (4) Allows for the recovery of costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer by an employer or employer's insurer in the event unwarranted medical treatment was provided;
- (5) Allows injured workers to be referred for vocational rehabilitation where the employee has achieved maximum medical improvement and the employer has made no offer of permanent suitable work;
- (6) Establishes criteria for the use of optional evidence-based guidelines for treatment and for the denial and dispute processes;
- (7) Provides for reimbursement of medical treatment expenses which should have been denied;
- (8) Allows for requests for hearings by employees and employers;
- (9) Limits the rulemaking powers of the Director;
- (10) Establishes requirements and standards for independent medical examiners to perform independent medical exams;
- (11) Clarifies authorization for claims for attorney's services;
- (12) Requires the submission of annual reports by workers' compensation insurers to the Director of the Department of Commerce and Consumer Affairs and the Insurance Commissioner; and
- (13) Allows for alternative dispute resolution for workers' compensation claims.

UNITE HERE! Local 5 Hawaii testified in support of this bill. The Judiciary, Hawaii State AFL-CIO, and Hawaii Government Employees Association supported this measure in part. The Department of Human Resources Development, ILWU Local 142, Hawaii Insurers Council, The Academy of Independent Medical Examiners of Hawaii, and numerous individuals testified in opposition to this bill. The Department of Labor and Industrial Relations, American Physical Therapy Association-Hawaii Chapter, Hawaii Rehabilitation Counseling Association, Occupational Therapy Association of Hawaii, Hawaii State Chiropractic Association, American Chiropractic Association, Hawaii Employers' Mutual Insurance Company, Retail Merchants of Hawaii, and The Chamber of Commerce of Hawaii submitted comments on this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 763, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 763, H.D. 2.

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

**SCRep. 1163 Finance on H.B. No. 833**

The purpose of this bill is to clarify and expand exemptions to certain employment-related laws by:

- (1) Inserting a definition for "recipient of social service payments" under the Unemployment Insurance law, Workers' Compensation law, Temporary Disability Insurance law, and the Prepaid Health Care law; and
- (2) Excluding domestic services performed by an individual in the employ of a recipient of social service payments from the Unemployment Insurance law.

Supporting: Exceptional Citizens of Hawaii, Aloha Care Home Corporation, Filipino Coalition for Solidarity, Home & Community Services of Hawaii, Inc., United Filipino Council of Hawaii, Congress of Visayan Organizations, Oahu Filipino Community Council, National Federation of Filipino American Associations, Philippine Nurses Association – Hawaii, Nursing, Advocates & Mentors, Inc., and several concerned individuals supported this bill. Catholic Charities Hawaii supported this bill with amendments. Family Voices of Hawaii and Responsible Caregivers of Hawaii opposed this measure. The Attorney General, Department of Labor and Industrial Relations (DLIR), State Council on Developmental Disabilities, and Easter Seals Hawaii submitted comments.

Your Committee has amended this measure by deleting its contents and inserting revised provisions to clarify and expand exemptions to certain employment-related law. Specifically, this bill:

- (1) Establishes a definition for "medicaid waiver service" to mean service performed in the employ of a contractor of the State when such service is:
  - (A) Authorized and paid for by the Department of Human Services (DHS) under the Social Security Act (SSA); and
  - (B) Performed by a licensed or certified adult foster care home operator-owner in the operator-owner's home for residents of that particular home;
- (2) Inserts the definition of "medicaid waiver service" in the Workers' Compensation law and Temporary Disability Insurance law;
- (3) Excludes, from the Unemployment Insurance law, medicaid waiver service performed in the employ of a contractor of the State when such service is:
  - (A) Authorized and paid for by DHS under the SSA;
  - (B) Performed by a licensed or certified adult foster care home operator-owner in the operator-owner's home for residents of that particular home; and
  - (C) Performed for other than governmental entities, federally recognized tribes, and nonprofit organizations;
- (4) Contains a savings clause; and
- (5) Contains an effective date of July 1, 2009, to encourage further discussion.

Due to the important issues and concerns raised by this bill, it is the intent of your Committee that DLIR request that the U.S. Department of Labor review the bill's provisions and assess their impact.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 833, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1164 Finance on H.B. No. 1082**

The purpose of this bill is to repeal on July 1, 2008, the authority given to certain county boards of water supply to establish experimental human resources modernization projects (EMP), to allow for further review of EMPs.

Several concerned individuals supported the intent of this measure. The Honolulu Board of Water Supply, Hawaii Government Employees Association, and United Public Workers opposed this bill.

Your Committee has amended this bill by:

- (1) Deleting the repeal date of July 1, 2008;
- (2) Requiring any director of a board of water supply that conducts an EMP to consult with the employees who would be involved in conducting the project prior to the implementation of the EMP;
- (3) Specifying that the EMP shall not be limited by state or local personnel laws and rules pertaining to civil service employees;
- (4) Providing that the EMP law shall not be construed to allow the hiring of non-civil service contract, temporary, or permanent employees in place of civil service employees, or provide bonuses or other special considerations to project consultants or temporary hires employed to facilitate implementation of the EMP; 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. 1082, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1082, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Tokioka and Ward. (Representatives Belatti and Rhoads voted no.)

**SCRep. 1165 Finance on H.B. No. 1291**

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

- (1) Requires payment of interest to noncontributory members who have deductions erroneously made from their compensation;
- (2) Eliminates the eligibility of a foster child to receive death benefits of a member if the member dies in service;
- (3) Allows the ERS Board of Trustees (Board) to set the salary of the Chief Investment Officer in the same manner used to set the salary of the Administrator;
- (4) Requires contributions exceeding 75 percent of the statutory cap established for judges, legislative officers, and elected officials to be refunded when they leave service to comply with federal income tax laws;
- (5) Provides post retirement benefits to contributory and hybrid plan beneficiaries who select a monthly annuity instead of the lump sum balance;
- (6) Requires the claims for survivor benefits to be filed no later than three years from the date of the retirant's death;
- (7) Deletes the requirement that ordinary death benefits be computed in the same manner as ordinary disability benefits for deceased members with 10 years of service who are not eligible for retirement;
- (8) Allows the Board to adopt actuarial tables, factors, or assumptions at a duly noticed meeting;
- (9) Provides criteria for the conversion of noncontributory service to hybrid service once conversion is allowed; and
- (10) Allows hybrid plan members to retire at any time once their ordinary disability applications have been approved by the Board.

The Department of Budget and Finance, Board of Trustees of the Employees' Retirement System, Office of Hawaiian Affairs, and the Hawaii State Teachers Association supported this bill.

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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1291, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1291, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1166 Finance on H.B. No. 1367**

The purpose of this bill is to eliminate the correlation between the salaries of specific department heads and deputy department heads and certain non-civil service positions.

The Department of Budget and Finance, Department of Human Resources Development, Hawaii Paroling Authority, Chairman of the Stadium Authority, Department of Accounting and General Services, Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, Department of Health, and Department of Public Safety 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. 1367, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1367, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1167 Finance on H.B. No. 1660**

The purpose of this bill is to address the Employees' Retirement System's (ERS) ability to eliminate its unfunded liability by:

- (1) Increasing state and county contributions to the ERS for all their employees;
- (2) Repealing the provision allowing the employer contribution rates to be reduced even if the period required to amortize the unfunded actuarial liability falls below 25 years;
- (3) Placing a ban on any new employee benefit enhancements until the ERS becomes fully funded; and
- (4) Allowing the ERS Board of Trustees to adopt the actuary's recommendations for the salary scale assumptions.

The Office of Hawaiian Affairs testified in support of this bill. The Department of Budget and Finance, Maui Police Department, and the Hawaii Police Department supported the intent of this measure. The Honolulu Police Department opposed this bill. ERS provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2008; 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. 1660, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1660, H.D. 1.

Signed by all members of the Committee except Representative Tokioka.

**SCRep. 1168 Finance on H.B. No. 1043**

The purpose of this bill is to increase support services to homeless children by:

- (1) Establishing a task force to coordinate public and private resources to benefit homeless children; and
- (2) Creating a special fund to be administered by the Department of Human Services (DHS) to fund and provide grants for innovative programs that benefit or help coordinate services for homeless children.

The Department of Education, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and a concerned individual testified in support of this bill. The Hawaii Public Housing Authority supported the intent of this measure. The Department of the Attorney provided comments.

Your Committee has amended this bill by:

- (1) Specifying standards for DHS to award grants to benefit homeless children to create an administrative grant program separate from Chapter 42F, Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion;
- (3) Extending the sunset date to June 30, 2011;
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1043, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1169 Finance on H.B. No. 1755**

The purpose of this bill is to clarify the tax consequences of wholesale transactions in service-to-service transactions by specifying that the reduced general excise tax rate of 0.5 percent applies to dealers furnishing goods or services to the purchaser of tangible personal property to fulfill a warranty obligation of the manufacturer of the property.

The Hawaii Automobile Dealers' Association testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1755, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1170 Finance on H.B. No. 859**

The purpose of this bill is to amend the collective bargaining law by:

- (1) Validating collective bargaining agreements, in effect on or after July 1, 2007, that negotiate items specifically excluded from negotiations under the law;
- (2) Allowing negotiations over assignments and terminations; and
- (3) Requiring negotiations over the impact of transfers, assignments, and layoffs of employees.

The Hawaii State Teachers Association and Hawaii Government Employees Association testified in support of this bill. The Office of Collective Bargaining, Department of Human Resources Development, Department of Education, Department of the Attorney General, Hawaii Health Systems Corporation, Judiciary, Department of Human Resources of the City and County of Honolulu, Honolulu Fire Department, Honolulu Police Department, Police Department of the County of Hawaii, Department of Human Resources of the County of Hawaii, Fire Department of the County of Hawaii, and Fire Department of the County of Kauai opposed this measure.

Your Committee has amended this bill by:

- (1) Ensuring that the amendments to subsection 89-9(d), Hawaii Revised Statutes, in this bill will not be automatically repealed on July 1, 2008, pursuant to the provisions of section 8 of Act 245, Session Laws of Hawaii 2005; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 859, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 859, H.D. 2.

Signed by all members of the Committee except Representatives Chong, Har, Tokioka and Ward. (Representative Meyer voted no.)

**SCRep. 1171 Finance on H.B. No. 1500**

The purpose of this bill is to adjust the benefit amounts paid to employees from the Unemployment Insurance Trust Fund and the contribution rates for employers.

The Chamber of Commerce of Hawaii and the Retail Merchants of Hawaii testified in support of this measure. The Hawaii State AFL-CIO supported the intent of this bill. The ILWU Local 142 and Society for Human Resource Management-Hawaii Chapter testified in opposition to the measure. The Department of Labor and Industrial Relations, Department of the Attorney General, and National Federation of Independent Businesses submitted comments on the measure.

Your Committee has amended this bill by:

- (1) Reducing the adequate reserve fund amount after 2007;
- (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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1500, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1500, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1172 Finance on H.B. No. 1817**

The purpose of this bill is to assist the county police departments with the retention of their police officers by allowing police officers to receive a maximum retirement allowance of 100 percent of an officer's average final compensation.

The Honolulu Police Department (HPD), County of Hawaii Police Department, and State of Hawaii Organization of Police Officers testified in support of this bill. The Employers Retirement System opposed this measure. The Department of Budget and Finance did not support this bill.

Your Committee finds that the retention of police officers (approaching retirement) has become a critical issue, especially on the neighbor islands. As it is in the interest of the public's safety to address this concern, your Committee requests that the ERS review the benefits of allowing police officers a maximum retirement allowance of 100 percent of their average final compensation. Your Committee further requests the ERS to examine the benefits of raising the calculation of the average final compensation for police officers from 2.5 percent to 3.5 percent to provide an additional incentive for the retention of these public servants.

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. 1817, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1817, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har and Sagum.

**SCRep. 1173 Finance on H.B. No. 223**

The purpose of this bill is to support Hawaii's health care safety net by establishing the Health Care Reinvestment Fund (Reinvestment Fund) and Health Insurance Support Special Fund (Support Fund) to be used for certain health care facilities, funds, programs, and services.

The Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Pacific Health, and a concerned individual testified in support of this bill. The Department of Health 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. 223, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 223, H.D. 3.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1174 Finance on H.B. No. 1067**

The purpose of this bill is to overhaul and streamline the certificate of need (CON) process for health care-related facilities. Specifically, this bill, among other things:

- (1) Redefines and narrows the scope of CON requirements so that they are only required for:
  - (A) Emergency rooms;
  - (B) Freestanding emergency care facilities; and
  - (C) Surface ambulance services;
- (2) Reverses the order in which the Statewide Health Coordinating Council (Statewide Council) and the individual Subarea Health Planning Council (Subarea Council) hear a CON application to provide the Subarea Council more input closer to the final stage of the CON process;
- (3) Eliminates the CON Review Panel to streamline the CON process;
- (4) Requires the State Health Planning and Development Agency (SHPDA) to give greater weight to the Subarea Council's recommendations when the Statewide Council's and Subarea Council's recommendations conflict, unless good cause is provided to reject the Subarea Council's recommendations;
- (5) Requires that a hearing on a CON applicant's request for reconsideration shall be held on the island where the new facility is to be built or the service is to be rendered; and
- (6) Establishes a temporary blue ribbon panel to conduct a comprehensive study to examine the CON process in other states and submit a report containing its recommendations regarding certain topics relating to the CON process.



The Governor's Policy Office, Department of Health, Mayor of Maui County, People United to Support a Second Hospital, and numerous concerned individuals supported this bill. Healthcare Association of Hawaii, Hawaii Government Employees Association, ILWU Local 142, and several concerned individuals opposed this bill. Liberty Dialysis-Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2009; provided that the provisions relating to the temporary blue ribbon panel take effect upon the bill's approval; 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. 1067, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1067, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1175 Finance on H.B. No. 1359**

The purpose of this bill is to create a Hawaii State Pharmacy Assistance Program by merging the current State Pharmacy Assistance Program, which coordinates the Medicare Part D drug benefit and the Hawaii Rx Plus Program under a single comprehensive Hawaii State Pharmacy Assistance Program umbrella.

The Department of Human Services (DHS) testified in support of this bill. Kokua Council, Hawaii Aging Advocates Coalition, and AARP Hawaii supported the intent of this measure.

Your Committee has amended this bill by inserting language that requires:

- (1) DHS to take all steps necessary to enable participation in joint prescription drug purchasing agreements with any other health benefits plan or organization within or outside of this state; and
- (2) The Director of DHS to:
  - (A) Execute any joint purchasing agreements with a health benefits plan or organization that will lower the cost of prescription drugs while maintaining quality;
  - (B) For Hawaii Employer-Union Health Benefits Trust Fund plans, execute any joint purchasing agreements that will lower the cost of prescription drugs and provide quality services that is negotiated through the collective bargaining process;
  - (C) Renegotiate and amend existing contracts to which DHS is a party if this will be of economic benefit to the continued health benefits plan and its beneficiaries and improve the overall quality of health care services provided; and
  - (D) Report annually to the Governor and the Legislature DHS' progress in securing Hawaii's participation in joint purchasing agreements.

Your Committee has also amended this bill by:

- (1) Deleting the appropriation to DHS for conducting the study to gather information on the size of the target population, utilization data, and other information as needed for DHS to identify the amount of the appropriation needed to implement the secondary discount price and other costs of the Hawaii State Pharmacy Assistance Program;
- (2) Changing its 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. 1359, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1359, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1176 Finance on H.B. No. 1471**

The purpose of this bill is to ensure that the community healthcare system in Hawaii remains financially viable as the uninsured and underinsured populations continue to grow.

Specifically, this bill, among other things:

- (1) Establishes procedures within the Department of Human Services (DHS) for reconciliation of payments to federally qualified health centers and rural health centers in the state;
- (2) Allows for adjustment of prospective payment system rates for any adjustment in scope of services furnished by federally qualified health centers or rural health centers;
- (3) Makes eligible for prospective payment system reimbursement certain services, including visits, provided by federally qualified health centers or rural health centers; and
- (4) Requires the Department of Health (DOH) to provide certain resources to nonprofit, community-based healthcare providers for direct medical care for the uninsured, and appropriates funds for this purpose.

The Healthcare Association of Hawaii, Waikiki Health Center, West Hawaii Community Health Center, Inc., Molokai Community Health Center, Hamakua Health Center, Hoola Lahui Hawaii, Kalihi-Palama Health Center, Community Clinic of Maui, Waianae Coast Comprehensive Health Center, Kokua Kalihi Valley, Hawaii Psychiatric Medical Association, and several concerned individuals testified in support of this bill. The Hawaii Primary Care Association supported this measure with amendments. DHS supported the intent of this bill. DOH 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. 1471, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1471, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1177 Finance on H.B. No. 1477**

The purpose of this bill is to improve healthcare access for the people of Hawaii, especially in Hawaii's rural areas, by appropriating funds to the University of Hawaii John A. Burns School of Medicine (JABSOM) to:

- (1) Develop a statewide rural primary healthcare training program to provide family physicians to rural areas and improve healthcare access for the people of Hawaii; and
- (2) Support and expand the Family Medicine Residency Program of the Department of Family Medicine and Community Health of JABSOM.

The Mayor of the County of Hawaii, Hawaii Primary Care Association, Hilo Medical Center, Hawaii Psychiatric Medical Association, Hawaii Health Systems Corporation, and a concerned individual testified in support of this bill. The University of Hawaii System 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. 1477, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1477, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1178 Finance on H.B. No. 652**

The purpose of this bill is to ensure the health, safety, and welfare of the people of Hawaii by:

- (1) Establishing a Dam Safety Special Fund (Special Fund) for monitoring and enforcing the safety of dams and reservoirs throughout the state;
- (2) Establishing the Dam Rehabilitation Loan Program (Loan Program) to provide funds to dam owners to make repairs and alterations to dams and reservoirs to increase their safety and effectiveness and prevent future dam failures;
- (3) Limiting the liability of the Board of Land and Natural Resources (BLNR), its officers, employees, and agents from any liability arising out of the failure of a dam;
- (4) Placing all dams and reservoirs in the state under the jurisdiction of BLNR;
- (5) Authorizing BLNR to collect fees and recover expenses from the owner of a dam for BLNR's supervision over the dam's safety; and
- (6) Making an appropriation for the Special Fund and the Loan Program.

The Department of Land and Natural Resources (DLNR), Department of the Attorney General, Dole Food Company Hawaii (Dole), Alexander and Baldwin, Inc., and American Society of Civil Engineers – Hawaii Section supported this bill.

Your Committee has amended this bill by:

- (1) Deleting all provisions with the exception of those establishing the Special Fund;
- (2) Expanding the scope of the purposes for which moneys from the Special Fund can be used in monitoring and enforcing the safety of dams and reservoirs throughout the state by DLNR, including:
  - (A) Conducting investigations and research into ways to provide better maintenance and safety policy for dams;
  - (B) Providing staff and dam owner educational programs;
  - (C) Providing coordination and assistance to other state and county agencies in times of emergency; and
  - (D) Any other purposes to administer the dam safety program;
- (3) Authorizing the appropriation and expenditure of funds for the dam safety program by DLNR; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committee acknowledges concerns submitted by Dole regarding providing a blanket classification to apply to all dams and reservoirs. Dole testified that this may create an undue burden on the agricultural industry and requested that the requirements be tiered according to the hazard level and size of the reservoirs to strike a balance between safety and the sustainability of the agricultural industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 652, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 652, H.D. 2.

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

**SCRep. 1179 Finance on H.B. No. 1899**

The purpose of this bill is to ensure the conservation of Kawai Nui Marsh, one of our state's largest remaining wetlands, by transferring ownership of lot 3 of Kawai Nui Marsh from the City and County of Honolulu to the State to take advantage of federal funds, as directed in Act 314, Session Laws of Hawaii 1990 (Act 314).

Hawaii's Thousand Friends, Hawaii Audubon Society, Ahahui Malama I Ka Lokahi, and numerous individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported this bill with amendments. The Department of Facility Maintenance of the City and County of Honolulu and Windward Ahupuaa Alliance opposed this measure.

Your Committee has amended this bill by:

- (1) Transferring all of lot 3 of Kawai Nui Marsh as shown on land division parcel map file no. 18-3-3-13, including the area makai of the boundary defined as five feet from the toe of the Coconut Grove side of the flood control levee, beginning at the Oneawa canal and ending at the State-owned parcel identified by tax map key number 4-2-16:02, lot A;
- (2) Deleting the provision that requires that the City and County of Honolulu and the United States Army Corps of Engineers must first complete all pending flood control projects for Kawai Nui Marsh to the satisfaction of DLNR;
- (3) Deleting the provision that the State be granted a temporary easement over the parcels transferred under this Act prior to their transfer;
- (4) Inserting appropriations for DLNR to:
  - (A) Maintain Kawai Nui Marsh or to contract with the City and County of Honolulu or any other public or private entity to maintain Kawai Nui Marsh; and
  - (B) Conduct or contract educational, ecological, and environmental services for Kawai Nui Marsh and its adjoining state areas;
- (5) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1899, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1899, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1180 Finance on H.B. No. 1268**

The purpose of this bill is to prepare the skilled workforce necessary to support a new economy through the establishment of programs to develop science, technology, engineering, and mathematics (STEM) skills in students in the public schools and at the University of Hawaii (UH). This bill establishes:

- (1) A Hawaii Excellence through Science and Technology (HiEST) Academy Program focusing on STEM skills in public high school students and enabling these students to enter college without the need for remediation in these subjects;
- (2) The Fostering Inspiration and Relevance Through Science and Technology (FIRST) Pre-academy Program to stimulate interest and achievement in STEM subjects and prepare middle school students for entry into HiEST;
- (3) A Research Experience for Teachers Program administered by the UH College of Engineering in coordination with the FIRST Program to support development of public middle school teacher skills, knowledge, and curriculum materials in STEM subjects with a focus on wireless communications;
- (4) A professional development program in UH for public school science and mathematics teachers from elementary through high school to increase their knowledge of recent developments and best practices in science, technology, and mathematics;
- (5) Continued funding for the stipends provided by the federal Transition to Teaching Program to encourage persons with degrees in STEM subjects to obtain teaching certificates through UH's post baccalaureate certificate in secondary education program;
- (6) The Business and Education Internship and Mentorship Program to provide internships, mentorships, and other experiential learning arrangements within the for-profit, nonprofit, and government sectors, for public high school students and graduates attending college in Hawaii and elsewhere; and
- (7) The Eminent Scholars Program to provide matching funds to establish at least five permanently endowed chairs in science, technology, engineering, and mathematics at UH.

The bill also appropriates an unspecified amount of funds to implement the new programs.

The Governor, Department of Business, Economic Development, and Tourism, High Technology Development Corporation, Workforce Development Council, Hawaii Association of Independent Schools, Oceanic Imaging Consultants, Inc., Hawaii Crop Improvement Association, Economic Development Alliance of Hawaii, and numerous concerned individuals supported this bill. A concerned individual supported this bill in part. The Department of Education and University of Hawaii supported the intent of this measure. The Hawaii State Teachers Association 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1268, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1268, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1181 Finance on H.B. No. 1735**

The purpose of this bill is to honor the contributions of Hawaii's ranching community by establishing the Waiomina Centennial Celebration Commission to prepare and coordinate programs and activities to commemorate the centennial anniversary of the Cheyenne Frontier Days Championship of 1908.

The Waimea Community Association and several concerned individuals supported this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1735, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1735, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1182 Finance on H.B. No. 1866**

The purpose of this bill is to protect the health and safety of participants of mixed martial arts contests by:

- (1) Giving the Director of Commerce and Consumer Affairs jurisdiction over all mixed martial arts contests held in the state; and
- (2) Prohibiting no rules combat, extreme or ultimate fighting, or similar contests.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs supported this bill with amendments.

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. 1866, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1866, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1183 Finance on H.B. No. 337**

The purpose of this bill is to preserve agricultural lands on Oahu by authorizing the Agribusiness Development Corporation (ADC) to purchase, via general funds or revenue bonds, agricultural lands located in the Kunia or Ewa areas on Oahu, or both. In addition, this bill provides additional flexibility to ADC by allowing it to:

- (1) Purchase, accept, and maintain permanent conservation easements in accordance with the Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (2) When leasing ADC-controlled agricultural land, contract with a financial institution that is transacting business in this state to provide lease management service.

The University of Hawaii, Department of Planning and Permitting of the City and County of Honolulu, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, and Maui County Farm Bureau supported this bill. ADC and the Hawaii Agriculture Research Center supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Allowing ADC to transfer the permanent conservation easements to a qualified land trust;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 337, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 337, H.D. 2.

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

**SCRep. 1184 Finance on H.B. No. 226**

The purpose of this bill is to reduce emissions of greenhouse gases by:

- (1) Requiring the Director of Health (Director), in consultation with the Department of Business, Economic Development, and Tourism, to determine the statewide greenhouse gas emissions level in 1990 and approve a statewide greenhouse gas emissions limit that is equivalent to that level to be achieved by 2020;
- (2) Requiring the Director to adopt rules by which the maximum technologically feasible and cost-effective greenhouse gas emission reductions may be achieved; and
- (3) Appropriating funds out of the Environmental Response Revolving Fund for the Director to administer the greenhouse gas emissions reduction requirements.

Honolulu Seawater Air Conditioning, LLC, and Sierra Club, Hawaii Chapter, testified in support of this bill. The Department of Health opposed this measure. The Western States Petroleum Association, Life of the Land, and Windward Ahupuaa Alliance offered comments.

Your Committee suggests consideration of the state general fund as a source for the appropriation to the Department of Health to administer the greenhouse gas emissions reduction requirements.

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. 226, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 226, H.D. 2.

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

**SCRep. 1185 Finance on H.B. No. 275**

The purpose of this bill is to protect student-athletes and educational institutions from potentially unscrupulous practices of athlete agents.

The University of Hawaii (UH), UH-Manoa and UH-Hilo athletic departments, and the Hawaii Commission to Promote Uniform Legislation testified in support of this bill. The Department of Education supported the intent of this measure. The Department of Commerce and Consumer Affairs opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage continued 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. 275, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 275, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1186 Finance on H.B. No. 1001**

The purpose of this bill is to encourage the development of affordable housing by establishing an expedited review and approval process and to provide incentives through construction loans to eligible counties and a tax credit.

The Hawaii Housing Finance and Development Corporation (HHFDC), Office of Hawaiian Affairs, Land Use Research Foundation of Hawaii, and Catholic Charities Hawaii supported the intent of this bill. The City and County of Honolulu Department of Planning and Permitting, a member of the Maui County Council, and two concerned individuals opposed this measure. The Department of Taxation provided comments.

Your Committee commends the Committee on Human Services and Housing for its effort in preparing the H.D. 1. Your Committee has followed that Committee's lead in establishing an expedited review and approval process to address the affordable rental housing issue.

Your Committee is supportive of the concept of a pilot project applicable to counties with populations of at least 500,000. However, for-sale housing projects are generally more complex than rental housing projects, requiring greater scrutiny and longer periods for review and approvals. Additionally, maintaining affordability of for-sale units would be difficult. For these reasons, your Committee finds that the expedited review and approval process in a pilot project should not be available to for-sale housing.

Accordingly, your Committee has substantially revised this bill to include:

- (1) A pilot project applicable to counties with at least 500,000;
- (2) Waiver of certain county requirements, upon meeting certain conditions, except for minimum health and safety requirements and certain environmental and cultural preservation requirements;
- (3) Provisions allowing for the forfeiture of a project to the jurisdiction of HHFDC if the county does not act in a timely manner or if the county denies the project;
- (4) Provisions requiring the county to allow county-approved projects to connect to county-owned infrastructure and to accept offsite infrastructure constructed and dedicated by the developer of the project;
- (5) Provisions for non-ceded public lands to be transferred to HHFDC without the approval of the Board of Land and Natural Resources to be made available to developers of eligible projects at a lease rent of \$1 per year;
- (6) An expedited rulemaking process for HHFDC to implement the pilot project;
- (7) Appropriations to HHFDC and eligible counties to implement the pilot project; and
- (8) An effective date of 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. 1001, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1001, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1187 Finance on H.B. No. 1231**

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 eight new claims that have been resolved, totaling \$320,832.59; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1231, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1231, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1188 Finance on H.B. No. 338**

The purpose of this bill is to invest in the diversification of Hawaii's economy by establishing the Hawaii Innovations Partnership Corporation and a Hawaii Innovations Partnership Special Fund to provide research and development grants, seed capital, and business and technical support for ventures in advanced technology, life sciences, and renewable energy.

Honolulu Seawater Air Conditioning, LLC., High Technology Development Corporation, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Budget and Finance opposed this bill. The Department of Accounting and General Services, State Procurement Office, Office of Information Practices, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by inserting provisions that, among other things:

- (1) Improve the State's ability to measure the productivity of and establish benchmarks for the growth of Hawaii's economy;
- (2) Support the operations and programs of a state-operated technology incubator and innovation center in the Kakaako district of Honolulu;
- (3) Establish a local incubator facility to develop Hawaii's digital media infrastructure for film and television productions and interactive game development;
- (4) Establish the Music and Enterprise Learning Experience Program at the Honolulu Community College to develop the technical and business skills required by Hawaii's artists and music industry; and
- (5) Enhance the ability of the University of Hawaii's Office of Technology Transfer and Economic Development to increase commercialization and the number of licensing agreements through a partnership with a qualified and experienced private sector entity.

Your Committee has further amended this bill by:

- (1) Removing the specific appropriation amounts; 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. 338, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 338, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1189 Finance on H.B. No. 916**

The purpose of this bill is to continue to strengthen Hawaii's workforce by establishing the:

- (1) Lifelong Learning Account Tax Credit (Credit) to encourage investment by employees and employers in the continuing education and enhancement of skills throughout a person's career;
- (2) Lifelong Learning Accounts Program through which the Department of Labor and Industrial Relations (DLIR) will:
  - (A) Encourage lower-income and lower-skilled employees to open and use a lifelong learning account (Account);
  - (B) Encourage the establishment of Accounts in diverse geographic and economic areas and throughout a various range of businesses;
  - (C) Provide technical assistance to businesses interested in Accounts;
  - (D) Partially offset the contribution for low-income employees; and
  - (E) Document the use and effectiveness of the Accounts;
- (3) Kama'aina Come Home Program which coordinates state and county resources to encourage Hawaii residents to build their careers at home by:
  - (A) Holding a series of events in select mainland cities to inform and recruit skilled kama'aina back to the state;
  - (B) Developing a database to continuously track the residency of high school graduates who have left the state for the purposes of informing them of career opportunities at home in Hawaii; and
  - (C) Enhancing the Department of Business, Economic Development, and Tourism's (DBEDT) "HIRENET" job search website to include specific information on Hawaii job opportunities for out-of-state kama'aina.

The Governor, DLIR, DBEDT, Department of Taxation, and Workforce Development Council supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Removing specific appropriation amounts;
- (2) Deleting specific tax credit limits;
- (3) Changing the effective date to July 1, 2020, to facilitate 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. 916, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 916, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1190 Finance on H.B. No. 1083**

The purpose of this bill is to support the development of Hawaii's high technology business sector by appropriating \$150,000 in fiscal year 2007-2008 to the High Technology Development Corporation (HTDC) to negotiate a ten-year lease and plan, develop, and operate the Asia Pacific International Research Center for high technology in Kakaako.

The University of Hawaii System (UH), UH Office of Technology Transfer and Economic Development, Hawaii Community Development Authority, HTDC, Kamehameha Schols, Geo-Recovery Hawaii, Inc., Hawaii Crop Improvement Association, Hawaii Science & Technology Council, Quantum Leap Interactive, Neptune Technologies Inc., 21<sup>st</sup> Century Systems, Inc., Pacific Sun Energy Corporation, Phase 3 Properties, KUD International, Cardax Pharmaceuticals, Honolulu Seawater Air Conditioning, LLC, The Audio Visual Company, Ambient Micro, SEE/RESCUE Corporation, and Kuehnle AgroSystems LLC, testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amount to facilitate 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. 1083, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1083, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1191 Finance on H.B. No. 1781**

The purpose of this bill is to support the growth and development of Hawaii's high technology industry by appropriating funds, to be matched on a dollar-for-dollar basis by non-state funding sources, for the planning, design, and construction of a new technology and innovation center on Oahu.

The High Technology Development Corporation, Economic Development Alliance of Hawaii, Maui Economic Development Board, Inc., Enterprise Honolulu, Hawaii Venture Capital Association, Archinoetics, LLC, and numerous concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to an unspecified amount to encourage further discussion;
- (2) Clarifying that Enterprise Honolulu is requested to submit its report no later than 20 days prior to the convening of the Regular Session of 2008; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1781, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1781, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1192 Judiciary on H.B. No. 18**

The purpose of this bill is to assist the Hawaii Teacher Standards Board (HTSB) to expedite its ability to perform its duties by confirming its general rule making authority and clarifying and authorizing other powers. Specifically, under this bill HTSB may:

- (1) Not suspend its policies and standards;
- (2) Temporarily suspend its rules after determining that extenuating circumstances exist; provided that suspension procedures are established and when determining to suspend its rules, the suspension period is established; and
- (3) Amend licensing-related fees and set or amend other charges related to the performance of its duties.

The University of Hawaii supported 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 January 1, 2112, to facilitate 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 18, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 18, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1193 Judiciary on H.B. No. 1784**

The purpose of this bill is to create the offense of human trafficking whereby a person knowingly subjects or attempts to subject a person to labor or services through threats, extortion or various other means. This measure also establishes human trafficking as a violent crime and a crime subject to forfeiture provisions, and includes it as an activity that may constitute organized crime or racketeering activity.

The Department of the Attorney General, Crime Victim Compensation Commission, Honolulu Police Department, Department of the Prosecuting Attorney for the County of Maui, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and Na Loio supported this bill. The Department of the Prosecuting Attorney for the City and County of Honolulu, Safe Zone Foundation, Girl Fest Hawaii and Equality Now supported this measure with amendments. The Office of the Public Defender did not support this bill.

Your Committee has amended this bill by:

- (1) Clarifying the types of acts constituting the offense of human trafficking;

- (2) Defining "debt bondage" and "restraint";
- (3) Specifying the classes of felonies for the various acts of human trafficking;
- (4) Deleting the amendments made to the offense of unlawful imprisonment in the first degree;
- (5) Changing the effective date to July 1, 2112; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1784, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1784, H.D. 2.

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

**SCRep. 1194 Judiciary on H.B. No. 1905**

The purpose of this bill is to ensure the safety of dams and reservoirs in the State by, among other things:

- (1) Prohibiting a dam owner from impounding water unless the owner holds a valid certificate of approval to impound;
- (2) Specifying that agents, employees, and authorized representatives of the Department of Land and Natural Resources (DLNR) shall have the right to enter, without prior notice, any public or private property to investigate the condition, construction, or operation of dams or other artificial barriers;
- (3) Authorizing DLNR to pursue injunctive relief in cases where a person engages or is about to engage in actions or practices that constitute an unlawful act under Chapter 179D, Hawaii Revised Statutes;
- (4) Requiring DLNR to submit annual reports relating to dams and reservoirs;
- (5) Establishing specific requirements and responsibilities for owners of high and significant hazard potential dams and reservoirs; and
- (6) Repealing the existing penalty provisions and inserting more severe civil penalties and establishing criminal penalties for violations.

A member of the Kauai County Council and a concerned individual supported this bill. A concerned individual supported this bill with amendments. The Attorney General, Office of Hawaiian Affairs, DLNR, Department of Agriculture, Agribusiness Development Corporation, Dole Food Company Hawaii, and a concerned individual supported the intent of this measure. Kamehameha Schools and a concerned individual opposed this bill. Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, and several concerned individuals submitted comments.

Your Committee notes that this bill is narrowly focused on emergencies and potential hazards associated with dams and reservoirs. The provisions related to appropriations and special funds for dam safety are contained in HB 652 HD1.

Your Committee is in agreement with the basic policy that private owners of dams and reservoirs should be responsible for the upkeep and repair of their facilities as directed by the State. However, your Committee also recommends that the Legislature consider, based on longstanding tradition and constitutional obligations with respect to important agricultural lands, cost sharing arrangements between the State and private owners in the event that lands possibly affected by an emergency at a privately owned dam or reservoir would result in flood damage or destruction of such valuable farming lands.

Your Committee has, with prior concurrence, amended this bill by:

- (1) Prohibiting operators from impounding water unless the operator holds a valid certificate or approval to impound water at the dam;
- (2) Deleting language that allowed DLNR to seek:
  - (A) A search warrant to allow inspection of a dam if the owner of the property refuses to allow the inspection; and
  - (B) An administrative subpoena compelling production of the drawings, operational records, or other information concerning a dam or reservoir if DLNR has been refused inspection of these documents.
- (3) Providing the authority to DLNR agents or employees, or any authorized representative, to enter any property, public or private, without prior notice for the purpose of investigating the condition, construction, the taking of any necessary remedial actions, or the operation of any dam or artificial barrier without a search warrant or liability for trespass in emergency situations;
- (4) Providing the authority to the Board of Land and Natural Resources (BLNR), its agents, engineers, and other employees access to any land or water in the State that is subject to inspection or investigation under Hawaii's Dams and Reservoirs Law without a search warrant or liability for trespass;
- (5) Expanding DLNR's authority to immediately employ remedial measures necessary to protect persons and property if a dam is threatened by any large flood to include threats to a dam by other disaster;
- (6) Stipulating that moneys collected by DLNR from the owner of the dam or reservoir as recovery fees for fulfilling the duties of DLNR established in this Act and reasonable attorney's fees incurred in the recovery of costs and expenses be deposited in the Dam Safety Special Fund;
- (7) Allowing BLNR to issue orders reciting the existence of a condition that poses a danger to the health and safety of persons or property and allowing any person to whom this order is directed to challenge the order but requiring the person to immediately comply with the order pending later disposition of the challenge;
- (8) Declaring that emergency actions provided for in this bill are in the public interest and for the public health, safety, and general welfare of the State;
- (9) Making the requirements for certificates of approval for impounding water at dams and reservoirs completed prior to July 1, 2007, applicable to operators;
- (10) Requiring that approval of plans and specifications for the removal of dams and reservoirs be submitted as part of DLNR's annual report on their activities regarding dam and reservoir safety to the Governor and the Legislature;



- (11) Deleting the requirement that receipts generated for inspections of dams and reservoirs be submitted as part of DLNR's annual report on their activities regarding dam and reservoir safety to the Governor and Legislature;
- (12) Eliminating language that limited the liability of BLNR, its officers, agents, and employees caused by or arising out of any of the following:
  - (A) The construction, maintenance, operation, or failure of a dam or appurtenant works; or
  - (B) The issuance and enforcement of an order or a rule issued or adopted by BLNR to carry out BLNR's duties;
- (13) Stipulating that the general requirements and responsibilities of dam owners is applicable to all owners of dams and reservoirs and not just owners of high and significant hazard potential dams and reservoirs;
- (14) Including, as part of the general requirements and responsibilities of dam owners, requirements for:
  - (A) Maintaining physical clear access for a four wheeled drive vehicle to the dam or reservoir site and appurtenances if required by BLNR; and
  - (B) An owner of a high or significant hazard potential dam to have a redundant early warning system in place, as approved by BLNR, if clear access to the dam or reservoir site cannot be sustained particularly during periods of inclement weather;
- (15) Amending the definition of "dam" to include artificial barriers, including appurtenant works, that impounds or diverts water and that meets additional criteria or is specifically exempted as determined by BLNR pursuant to adopted rules;
- (16) Amending the definition of "removal" to include partial elimination of the dam embankment or structure to restore the approximate original topographic contours of the valley;
- (17) Including definitions for the terms "hazard potential", "high hazard", "low hazard", "physical clear access", and "significant hazard";
- (18) Allowing action to be brought against the State, BLNR, DLNR, or any employee of the State, BLNR, and DLNR, for damages sustained through the partial or total failure of any government dam;
- (19) Inserting an exemption for the construction, enlargement, repair, alteration, operation, or removal of a dam or other artificial barrier if it is done to comply with application approvals;
- (20) Passing the penalty for engaging in any unlawful act covered under this Act from a misdemeanor to a class C felony;
- (21) Requiring the owner of a dam or reservoir constructed prior to July 1, 2007, to file an application for the approval of the dam or reservoir with BLNR;
- (22) Requiring inspections or investigations of dams or reservoirs to be carried out at the owners expense;
- (23) Adding additional duties for BLNR including:
  - (A) Requiring fees to cover the BLNR's costs in carrying out the administration of dam safety rather than supervision of dam safety;
  - (B) Cooperating with all public and private agencies created for the purpose of enhancing dam safety activities and training, and assisting these organizations and agencies in coordinating the use of their facilities and participating in the exchange of ideas, knowledge, and data with these organization and agencies and maintaining an advisory staff for this purpose;
  - (C) Preparing of, publishing of, and issuing of printed pamphlets, bulletins or advisories or conducting training as BLNR deems necessary for the dissemination of information to the public;
  - (D) The appointing and removing of agents and employees including hearing officers, specialists, and consultants necessary to carry out the purposes of this chapter, who may be engaged by BLNR without regard to the requirements of chapter 76;
  - (E) Cataloging and maintaining an inventory of all regulated dams and reservoirs in the state pursuant to this chapter without regard to chapter 91; and
  - (F) Establishing similar or consistent hazard potential classifications in conjunction with other applicable states or federal guidelines for all regulated dams and reservoirs in the state pursuant to this chapter without regard to chapter 91;
- (24) Authorizing BLNR to set, charge, and collect administrative penalties and recover administrative fees and costs, including attorneys fees and costs, or bring legal action to recover these costs or payment for damages or for the cost to correct damages resulting from a violation of any rule, order, condition, or provision of Hawaii's Dam and Reservoir Law;
- (25) Limiting the administrative penalty for a violation to \$25,000 per day;
- (26) Stipulating that each day during which the violation continues constitutes an additional, separate, and distinct offense;
- (27) Creating a Class C felony for a person who intentionally, knowingly, or after written notice to comply, violates any rule, order, condition, or provision, or knowingly obstructs, hinders, or prevent DLNR's agents or employees from performing their duties;
- (28) Inserting graduated sentencing for conviction of a violation of Hawaii's Dam and Reservoir Law;
- (29) Allowing both civil and criminal actions against a person who violates Hawaii's Dam and Reservoir Law;
- (30) Requiring DLNR to adopt rules no later than July 1, 2007;
- (31) Requiring DLNR to adopt interim administrative rules that are similar or consistent with the rules recommended in Chapter 5 of the Report of the Independent Civil Investigation of the March 14, 2006, Breach of Ka Loko Dam; and

- (32) 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. 1905, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1905, H.D. 3.

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

**SCRep. 1195 Finance on H.B. No. 88**

The purpose of this bill is to expand the authority of the Insurance Division of the Department of Commerce and Consumer Affairs' (DCCA) insurance fraud investigation branch to include the investigation and prosecution of workers' compensation insurance fraud until July 1, 2010, and to appropriate funds for additional personnel and resources to combat both workers' compensation and motor vehicle insurance fraud.

DCCA, Department of Labor and Industrial Relations, Department of the Attorney General, and Department of Human Resources Development supported this bill. Hawaii Employers' Mutual Insurance Company, Inc. supported the intent of this measure. The Hawaii State AFL-CIO and ILWU 142 opposed this bill.

Your Committee has amended this bill by:

- (1) Including premium fraud as an offense for which penalties will be applied, excluding employees;
- (2) Changing the effective date to July 1, 2020, to facilitate 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. 88, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 88, H.D. 2.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward.

**SCRep. 1196 Finance on H.B. No. 661**

The purpose of this bill is to reduce the influence of private financing on campaigns by establishing a comprehensive public funding system for election campaigns of the county councils.

A member of the Hawaii County Council, Hawaii Clean Elections, and several concerned individuals supported this bill. The Campaign Spending Commission 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. 661, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1197 Finance on H.B. No. 1848**

The purpose of this bill is to balance the public's fishing area needs with the need to conserve the state's aquatic resources by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to discuss with communities, demonstrate a peer-reviewed scientific need, and rule out other conservation measures and enforcement of existing regulations, prior to adopting any new fishing prohibitions or limitations, and to make all new closed area regulations temporary;
- (2) Establishing the Hawaii Fishery Policy Advisory Task Force (Task Force) to identify and recommend to the 2008 Legislature, revisions to the rule-making process regarding fisheries to improve the incorporation of public participation and peer-reviewed science in the process; and
- (3) Appropriating funds for the Task Force.

The Association of Hawaiian Civic Clubs, Princess Kaiulani Hawaiian Civic Club, Maunaloa Hawaii Civic Club, Hawaii Kai Boat Club, Pacific Islands Fisheries Group, Hawaii Nearshore Fishermen, Kakaako Casting Club, and a large number of concerned individuals testified in support of this bill. DLNR, Ocean Law & Policy Institute of the Pacific Forum CSIS, Malama Mauanalua, Hawaii Wildlife Fund, Malama Hawaii, Snorkel Bob's Hawaii, Hui Hoomalu I Ka Aina, Hawaii Audubon Society, Sierra Club-Hawaii Chapter, Community Conservation Network, Waikaeolu Chapter of Trout Unlimited, Hawaii, Oceanic Institute, The Nature Conservancy of Hawaii, Northwestern Hawaiian Islands hui, and a large number of concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring fishery management measures to be based on best available science, instead of peer-reviewed science;
- (2) Deleting historic and current historic fishing efforts and historic extraction rates as specific measurable criteria for determining the conservation benefit of a closed area on the affected stocks of fish;
- (3) Changing the time after which an extinguished closed area restriction may be reimposed to an unspecified amount of time;
- (4) Changing the make up of the Task Force to:
  - (A) Include:
    - (i) Two members to be designated by the Aha Moku Councils;
    - (ii) One member to be designated by the National Oceanic and Atmospheric Administration;
    - (iii) One member to be designated by the Nature Conservancy of Hawaii;
    - (iv) One member to be designated by the Hawaii Audubon Society; and
  - (B) Remove the five members appointed by the Governor;

- (5) Extending the existence of the Task Force to June 30, 2009;
- (6) Inserting an appropriation for fiscal year 2008-2009, in addition to the appropriation for fiscal year 2007-2008, for the Task Force to carry out its responsibilities; and
- (7) 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. 1848, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1848, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Sagum and Ward.

**SCRep. 1198 Finance on H.B. No. 938**

The purpose of this bill is to separate the Board of Electricians and Plumbers into a Board of Plumbers and a Board of Electricians. This bill also statutorily separates regulations for electricians and plumbers in two chapters of the Hawaii Revised Statutes.

The International Brotherhood of Electrical Workers Local Union 1186 and a concerned individual testified in support of this bill. The Board of Electricians and Plumbers, Laborers' Union Local 368, Plumbers and Fitters Local 675, T.M.C. General Contracting Inc., and several concerned individuals 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. 938, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 938, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1199 Finance on H.B. No. 16**

The purpose of this bill is to improve the efficacy of school health functions by:

- (1) Repealing the School Health Services Program currently operating within the Department of Health (DOH);
- (2) Repealing the transfer from DOH to the Department of Education (DOE) of public health nurses who supervise school health aides; and
- (3) Creating a School Health Services Program in DOE.

DOE, DOH, and numerous concerned individuals supported this bill. The Hawaii Government Employees Association and numerous concerned individuals opposed this measure.

Your Committee notes that currently, school principals are not trained in basic first aid or CPR. A suggestion was made to require principals to complete first aid and CPR training to gain an understanding of the clinical aspects of the work that school health aides perform. This training would assist principals in the supervision of school health aides as well as enhance their ability to contribute to DOE's establishment of a School Health Services Program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 16, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Hanohano, Meyer and Ward. (Representatives Carroll, Manahan and Sagum voted no.)

**SCRep. 1200 Finance on H.B. No. 70**

The purpose of this bill is to provide an innovative approach to address Hawaii's transportation needs by authorizing the Department of Transportation (DOT) to enter into public-private partnerships for the development and operation of transportation and related facilities.

DOT, HonoluluTraffic.com, Hawaii Automobile Dealers' Association, Charley's Taxi, and numerous concerned individuals supported this bill. The Department of Taxation supported the intent of this measure. The Hawaii Government Employees Association opposed this bill. The Hawaii Transportation Association submitted comments.

Your Committee finds that, with respect to the confidentiality provisions contained in this bill, the private partner, not the State, is the appropriate entity to determine what is proprietary information. In addition, your Committee has concerns regarding the provision of this bill reasserting the fact that rules adopted under Chapter 91, Hawaii Revised Statutes (HRS), have the force and effect of law. Your Committee finds that the rulemaking authority provided to DOT in this measure should be used in a prudent and judicious manner that does not undermine, supercede, or violate statutory provisions enacted into law and legislative intent.

Your Committee has amended this measure by:

- (1) Deleting the provision allowing public private partnership agreements to exempt activities related to, and income derived from, property developed, operated, or held by a private partner from any tax under Title 14, Hawaii Revised Statutes;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 70, H.D. 3.

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

**SCRep. 1201 Finance on H.B. No. 1792**

The purpose of this bill is to explore new, alternative methods of treating those addicted to crystal methamphetamine (crystal meth) by appropriating funds for a review of pilot studies being conducted in other states on the use of the PROMETA treatment protocol and establishing a plan to adopt the PROMETA treatment protocol.

Many concerned individuals testified in support of this bill. The Department of Health, Hawaii Society of Addiction Medicine, Hawaii Psychiatric Medical Association, and a concerned individual 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. 1792, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee. (Representatives Belatti, Hanohano and Har voted no.)

**SCRep. 1202 Human Services & Housing on H.R. No. 11**

The purpose of this resolution is to urge the Legislature and Governor to respect children's rights when enacting legislation related to children.

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

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 11 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 1203 Human Services & Housing on H.C.R. No. 11**

The purpose of this concurrent resolution is to urge the Legislature and Governor to respect children's rights when enacting legislation related to children.

A concerned individual testified in support of this concurrent resolution. A concerned individual supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 11 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 1204 International Affairs on H.R. No. 24**

The purpose of this resolution is to encourage the formation of a local World Trade Center, Honolulu to promote business between Hawaii and the dynamic economies of the Asia/Pacific region.

The Department of Business, Economic Development, and Tourism submitted written comments in support.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 24 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Bertram, Green, Takai and Ward.

**SCRep. 1205 International Affairs on H.C.R. No. 40**

The purpose of this concurrent resolution is to encourage the formation of a local World Trade Center, Honolulu to promote business between Hawaii and the dynamic economies of the Asia/Pacific region.

The Department of Business, Economic Development, and Tourism submitted written comments in support.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Bertram, Green, Takai and Ward.

**SCRep. 1206 International Affairs on H.R. No. 27**

The purpose of this resolution is to request that the United Nations General Assembly issue a resolution calling for an end to attacks against civilians in ethnic minority regions and the beginning of a substantive political dialogue leading to democratic transition in the Union of Myanmar.

Two concerned citizens submitted written testimony in support.

Your Committee respectfully notes that the origin of the language employed in H.R. No. 27 was a resolution originally offered by the United States and Great Britain before the United Nations Security Council in January of 2007, but it was vetoed due to lack of support from permanent Security Council members China and Russia. Due to your Committee's concern about human rights violations and its desire to proliferate peace and goodwill, your Committee finds that a General Assembly resolution, notwithstanding the failure of the proposed Security Council resolution, is merited.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 27 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Green, Takai and Ward.

**SCRep. 1207 International Affairs on H.R. No. 22**

The purpose of this resolution is to urge the United Nations, European Union, and North Atlantic Treaty Organization to pursue policies to end the ongoing conflict in Darfur.

The Hawaii Coalition for Darfur, Center for Moral Clarity, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Genocide Intervention Network, League of Women Voters of Hawaii, and several concerned individuals testified in support of this resolution. Numerous concerned individuals supported this measure with amendments. A concerned individual provided comments.

Your Committee has amended this resolution by:

- (1) Changing its title to read "MAKING RECOMMENDATIONS TO THE UNITED NATIONS SECURITY COUNCIL, UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES, EUROPEAN UNION, GOVERNMENT OF SUDAN, JANJAWEEED MILITIA, SUDANESE

LIBERATION ARMY, JUSTICE EQUALITY MOVEMENT, AND SUDAN PEOPLES LIBERATION ARMY REGARDING THE CONFLICT IN THE DARFUR REGION OF WESTERN SUDAN";

- (2) Making recommendations to various entities to take action to end the conflict in Darfur, including action against governments and entities attacking Darfur; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 22, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Shimabukuro and Takai.

**SCRep. 1208 International Affairs on H.C.R. No. 36**

The purpose of this concurrent resolution is to urge the United Nations, European Union, and North Atlantic Treaty Organization to pursue policies to end the ongoing conflict in Darfur.

The Hawaii Coalition for Darfur, Center for Moral Clarity, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Genocide Intervention Network, League of Women Voters of Hawaii, and several concerned individuals testified in support of this concurrent resolution. Numerous concerned individuals supported this measure with amendments. A concerned individual provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read "MAKING RECOMMENDATIONS TO THE UNITED NATIONS SECURITY COUNCIL, UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES, EUROPEAN UNION, GOVERNMENT OF SUDAN, JANJAWEEED MILITIA, SUDANESE LIBERATION ARMY, JUSTICE EQUALITY MOVEMENT, AND SUDAN PEOPLES LIBERATION ARMY REGARDING THE CONFLICT IN THE DARFUR REGION OF WESTERN SUDAN";
- (2) Making recommendations to various entities to take action to end the conflict in Darfur, including action against governments and entities attacking Darfur; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 36, H.D. 1.

Signed by all members of the Committee except Representatives Mizuno, Shimabukuro and Takai.

**SCRep. 1209 International Affairs on H.C.R. No. 38**

The purpose of this concurrent resolution is to facilitate the proliferation of peaceful dialogue and goodwill between the nations of the world by recognizing November 21st, formerly known as "World Hello Day" as International Peace and Reconciliation Day in the State of Hawaii.

Pearce Aerospace and two concerned citizens submitted written testimony in support.

Your Committee has amended this measure by clarifying that the Governor is respectfully requested to declare November 21st as International Peace and Reconciliation Day in the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 38, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Green, Takai and Ward.

**SCRep. 1210 Human Services & Housing/Health on H.C.R. No. 27**

The purpose of this concurrent resolution is to request each county to examine its current zoning laws, building codes, and subdivision requirements and eliminate encumbrances to family caregiving and aging in place as may be appropriate to meet the needs of Hawaii's aging population.

Several concerned individuals testified in support of this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 27 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 1211 Human Services & Housing/Health on H.R. No. 13**

The purpose of this resolution is to urge the childcare and eldercare communities to acknowledge the unique circumstances of grandparents raising grandchildren by supporting policies and services conducive to familial relationships.

The Office of Hawaiian Affairs, Policy Advisory Board for Elderly Affairs, and several concerned individuals testified in support of this resolution. Na Tutu, Grandparents Raising Grandchildren Coalition and a concerned individual provided comments.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 13 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Takai.

**SCRep. 1212 Human Services & Housing/Health on H.C.R. No. 25**

The purpose of this concurrent resolution is to urge the childcare and eldercare communities to acknowledge the unique circumstances of grandparents raising grandchildren by supporting policies and services conducive to familial relationships.

The Office of Hawaiian Affairs, Policy Advisory Board for Elderly Affairs, and several concerned individuals testified in support of this concurrent resolution. Na Tutu, Grandparents Raising Grandchildren Coalition and a concerned individual provided comments.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 25 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Takai.

**SCRep. 1213 Finance on H.B. No. 1200**

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Office of Hawaiian Affairs (OHA) for fiscal biennium July 1, 2007, through June 30, 2009.

OHA, the Hawaii Community Development Authority, Trust for Public Land, State Council of Hawaiian Homestead Associations, Earthjustice, Pacific American Foundation, Moanalua Gardens Foundation, Waikiki Health Center, Construction Training Center of the Pacific, Papa Ola Lokahi, College Connections Hawaii, Dyslexia Tutoring Center of Hawaii, Inc., Partners-in-Development Foundation, Native Hawaiian Legal Corporation, Waimanalo Hawaiian Homes Association, Na 'Opio Task Force of the Waimanalo Hawaiian Homes Association, Association of Hawaiian Civic Clubs, Waianae Hawaiian Civic Club, Kanu o ka Aina New Century Public Charter School, Halau Ku Mana Public Charter School, Waimanalo Jr. Midget Football, Ilio'ulaokalani Coalition, KAHEA: The Hawaiian Environmental Alliance, PAI Foundation, God's Country Waimanalo, Hawaiian Community Development Board, Ke Ola Mamoo, Papakolea Community Development Corporation, Kula no na Po'e Hawai'i, and several concerned individuals testified in support of this bill.

The budget for OHA has remained relatively stable over the past several years, and this budget maintains that stability. In addition to several small housekeeping transfers within its budget, OHA has also requested additional funding for two programs—the Multi Service Project for Alu Like, Inc., and Na Pua No'eau.

Additional funding for these programs will enable OHA to provide additional services to its target population. Specifically, Alu Like, Inc., provides essential social services, community economic development, business assistance, employment preparation, training, library services, and educational and childcare services. Na Pua No'eau nurtures leadership qualities in native Hawaiian children and offers educational programs that better prepare Hawaiian youth for the future.

Your Committee has provided full funding for all of OHA's operating-budget initiatives.

After a fiscally responsible review of overall state expenditures, your Committee reduced by \$200,000,000, the Administration's request to borrow \$1,000,000,000 in additional general obligation bonds to finance state construction projects. As a result of this \$200,000,000 decrease, many difficult decisions had to be made. Projects had to be prioritized, and not all projects could be funded as requested. OHA requested that the \$58,000,000 needed to construct a new office building and cultural center in Kakaako be shared between OHA and the State—with 50 percent coming from its trust funds and the other 50 percent from general obligation bond funds. Your Committee supports the development of an office building for OHA and a cultural center to showcase and perpetuate the Hawaiian culture. However, OHA has over \$400,000,000 in trust funds at its disposal and receives annual payments from the State of at least \$15,000,000. Accordingly, your Committee has funded the project completely through the use of OHA's trust funds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1200, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1200, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1214 Finance on H.B. No. 1212**

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Judiciary for fiscal biennium July 1, 2007, through June 30, 2009.

The Judiciary, Family Law Section of the Hawaii State Bar Association, Mestizo Association, Maui County Library Association, Hawaii Business Research Library, and numerous concerned individuals testified in support of this bill. The Children's Rights Council of Hawaii and numerous concerned individuals opposed this measure. Mothers Against Drunk Driving Hawaii and several concerned individuals submitted comments.

With the expected loss of the federal grant that funded the Girls' Court, your Committee saw it necessary to provide \$283,226 in fiscal year 2007-2008 (FY 2008) and \$330,734 in fiscal year 2008-2009 (FY 2009) to maintain this critical program. Approximately 45 percent of Family Court's caseload is composed of female juvenile offenders. The services provided by the Girls' Court will help rehabilitate these young women and assist in reducing recidivism, runaways, and arrests.

To assist in the Judiciary's effort to reduce recidivism among adult offenders, your Committee has provided \$244,361 in FY 2008 and \$247,437 in FY 2009 for the continuation and expansion of services by the Interagency Council on Intermediate Sanctions (ICIS). The federal grant that funds this program is scheduled to end in the fall of 2007. ICIS is the focal point of a collaborative, multi-agency, statewide effort to assist probationers who otherwise would not be participating in specific recidivism-reduction programs.

Your Committee has also provided:

- (1) \$1,534,303 in FY 2008 and \$1,414,372 in FY 2009 for the Hilo Judiciary Complex;
- (2) \$1,358,700 in FY 2008 to upgrade the telephone system of the First Judicial Circuit;
- (3) \$130,000 in both fiscal years of the biennium for purchase-of-service contracts for the Third Judicial Circuit for juvenile sex offender treatment;
- (4) \$92,000 in both fiscal years of the biennium for purchase-of-service contracts for the Fifth Judicial Circuit for domestic violence treatment; and
- (5) \$91,888 in FY 2008 and \$84,288 in FY 2009 for the Children's Justice Center to help address cases involving children who are victims of crime.

In all, your Committee has provided the Judiciary an additional \$11,163,329 in FY 2008 and \$9,493,056 in FY 2009 in general fund appropriations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1212, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1212, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1215 Finance on H.B. No. 500**

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Executive Branch for the fiscal biennium from July 1, 2007, through June 30, 2009.

By providing meaningful investments in our education system and our health and human services programs, your Committee has crafted a budget that invests in our state's greatest resource – its people.

However, this investment must be tempered with an eye toward the future. In recent years, government spending has grown dramatically: 44 percent over the last four years alone. Such growth is simply unsustainable over the long term. With every indication showing that Hawaii's robust economy is beginning to slow, fiscal conservatism must be practiced when deciding funding levels for government programs.

While public expectations are high, the Legislature must remain vigilant and scrutinize how taxpayer dollars are spent. Prudence requires that a balanced approach be adopted to:

- Shore up existing programs that have proven to be effective;
- Retool programs that are ineffective and that can be improved; and
- Shape new programs to serve the critical and evolving needs of the state.

Last year, the Legislature seized on an unprecedented opportunity to invest strategically in the State's future. Strong revenue projections allowed for the investment of capital in critical areas of need, particularly in the area of education. The Legislature provided \$240,000,000 for improvements to the physical infrastructure of schools within the Department of Education (DOE) and University of Hawaii (UH).

This infusion of cash allowed the DOE to reduce its backlog of repair and maintenance projects by one-third. Yet a staggering number of repair-and-maintenance projects remains and these projects must be addressed, as the DOE estimates the cost of completing the current backlog to be over \$340,000,000. Accordingly, your Committee on Finance has provided another \$100,000,000 in general funds to the DOE to continue to repair and update our public schools.

This budget also provides resources to ensure that our community hospitals remain open. All too often, health care begins in our emergency rooms and with emergency medical services (EMS) teams throughout the state, and proper health care cannot be provided with antiquated equipment and vehicles. This budget fully funds the amount requested by the Department of Health (DOH) for essential health services.

A major focus of the budget and other legislation last year was the dedication of additional resources to homeless programs and affordable housing. This year, additional budget resources will be combined with initiatives in other bills to further expand these programs and increase the availability of affordable housing.

The effects of the Iraq and Afghanistan conflicts on our soldiers are at the forefront of our concern. We cannot allow another generation of soldiers to cope with the ravages of war, alone. Our veterans deserve our assurances that proper medical and rehabilitative care, mental health services, and job training and employment services will be available to them when they return from serving our country. This budget invests in current services for our veterans and calls for a critical needs assessment to identify gaps in veterans' services resulting from decreased federal funding for these important needs.

While Hawaii's economy continues to grow, signs point to a slower growth rate in the near future. As a result, your Committee has crafted a balanced budget that responds to the needs and demands of our communities, with a focus on increasing the quality of life for Hawaii's residents, while remaining fiscally prudent.

#### **DEPARTMENTAL HIGHLIGHTS**

##### **Investment in Human Capital**

Your Committee on Finance believes that investing in our people will take us further toward improving Hawaii's economy and quality of life. To this end, your Committee has increased funding for education above the levels specified in the Governor's budget. Funding for the DOE exceeds the Governor's budget by \$25,941,543 in fiscal year 2007-2008 (FY 2008) and \$26,510,658 in fiscal year 2008-2009 (FY 2009). For the UH System, funding exceeds the Governor's budget by \$3,338,441 in FY 2008 and \$6,597,356 in FY 2009. Your Committee on Finance also fully funded EMS for DOH. By balancing these additions with reductions in other parts of the budget, your Committee on Finance was able to realize a savings of \$17,002,953 in general fund appropriations over the fiscal biennium (FB 2007-2009).

##### **Department of Education**

Our public school system served 179,234 students across the state in the 2006-2007 school year. Recognizing DOE's mission to provide quality education for Hawaii's youth, your Committee on Finance has provided DOE with an additional \$370,698,011 for the fiscal biennium through various means of financing. While the majority of these increases were in fixed costs such as debt service and fringe benefits for employees, your Committee on Finance has also funded several key initiatives that support efforts to improve student achievement not included in the Administration's proposed budget.

Act 51, Session Laws of Hawaii 2004, and the resulting implementation of the weighted student formula (WSF), distributed funds to schools based on students' needs, and increased school discretion on spending those funds. When Act 51 was enacted, the Legislature understood the need to assist all schools in their transition to full implementation of WSF. Accordingly, the budget passed last session included \$20,000,000 to provide a supplementary, fixed amount to each school based on its grade level. For example, elementary schools received \$63,300 while high schools received \$126,580.

The Administration's proposed budget did not include funds for this purpose. However, school principals have already formulated their academic and financial plans for the 2007-2008 school year. The reduction of an elementary school's budget by \$63,300, or of a high school's budget by \$126,580, could translate into the loss of a classroom teacher.

Your Committee on Finance has a different viewpoint from that of the Administration, and provides these supplementary funds so that principals will not have to get by with one less teacher or choose to do without other necessary resources.

In addition, the Administration's proposed budget for the DOE eliminated 112.5 positions and \$4,488,863 because of enrollment. However, reducing WSF funding would be rash, and would create significant difficulties at the school level. Therefore, your Committee has decided to reduce the number of positions, but not the dollar amounts, to express continued support for the WSF.

To promote fiscal responsibility and assist schools in the transition to the WSF, your Committee has taken the initiative to provide:

- \$1,291,500 in FY 2008 for fifteen Business Manager positions to assist principals with school-based financial management;
- \$650,000 in FY 2008 and \$1,250,000 in FY 2009 to design and develop a new financial management system; and
- \$1,000,000 in FY 2008 and \$125,000 in FY 2009 to develop and implement a new Facilities Asset Management Plan.

To further improve accountability and transparency within the DOE, and to better serve the students and parents of Hawaii, your Committee finds that DOE's information technology infrastructure must be enhanced. To this end, your Committee has allocated:

- \$957,820 in FY 2008 and \$958,630 in FY 2009 to centralize all student data into a single electronic student information system;
- \$1,005,772 in FY 2008 and \$1,012,172 in FY 2009 for a wide area network upgrade to allow further development of the centralized help desk, that provides a single source of answers to questions, and to increase communication between parents, students, and faculty; and
- \$1,566,220 in FY 2008 and \$769,468 in FY 2009 to centralize and integrate data into the Electronic Comprehensive Student Support System for students with special needs.

Although your Committee is funding these new initiatives, several basic needs must also be addressed. While not glamorous, utilities, food services, and student transportation are fundamental to a solid education system.

If Hawaii is to continue moving forward in a global economy, schools must be able to pay for such basic costs as electricity. It was therefore puzzling that the Administration did not approve the entire amount requested by the Board of Education (BOE) to sufficiently fund electricity costs for DOE facilities, requesting an increase of only \$434,336 in FY 2008 and only \$683,746 in FY 2009. These amounts represent only 27.8 percent and 20.4 percent, respectively, of the total amount requested by BOE. Your Committee covered the shortfall by providing a total of \$1,561,135 in FY 2008, and \$3,344,525 in FY 2009.

Our students must also be provided with meals during the day. Currently, essential food services are threatened with inadequate funding. Your Committee has provided \$14,930,811 in FY 2008 and \$15,695,217 in FY 2009, to sufficiently fund food services for students. These figures are \$8,964,084 more than the amount requested by the Administration in FY 2008, and \$8,968,284 more than the amount requested by the Administration in FY 2009.

The school transportation system that students rely on is a basic necessity. However, the service is in jeopardy because of rising operational costs. Your Committee has appropriated a total of \$9,991,030 in FY 2008 and \$14,029,731 in FY 2009, to sufficiently fund student transportation services, amounts that surpass those included in the Administration's proposed budget by \$2,613,344 for each year of the fiscal biennium.

Finally, our charter schools are important alternatives to traditional public schools, and deserve comparable funding. However, there is confusion about the charter schools funding formula, which takes into consideration student enrollment at charter schools and a per-pupil amount based on traditional school spending. It appears that in calculating this traditional school spending amount, the Department of Budget and Finance (B&F) included health benefit and pension costs. These costs, however, are passed through to B&F and are not at DOE's disposal. To provide this money to charter schools but not to traditional public schools would be unfair and inequitable.

As a result, B&F overstated charter school funding by \$2,424 per-pupil. B&F's calculation was \$9,290 per-pupil, while the correct amount should be \$6,866 per-pupil. Consequently, while the Administration's proposed budget includes a \$4,100,000 increase for charter schools, it appears that charter schools should have a \$9,300,000 decrease. Your Committee on Finance has therefore reduced the charter schools appropriation request to make it comparable to traditional school funding levels.

Rather than leave charter schools scrambling due to a miscalculation by the Administration, your Committee has dropped in \$11,800,000 to the charter schools budget, bringing the total to \$50,000,000 for each year of the fiscal biennium. Having done this, your Committee hopes that the Administration will work with the charter schools, the BOE, and the Legislature to determine a more equitable method of calculation.

### **University of Hawaii**

UH is an important component of our public education system, and instrumental in charting the course of Hawaii's future. Your Committee on Finance allocated an additional \$278,166,835 in UH operating funds for the fiscal biennium. Of the total amount allocated, \$191,684,577 has been set aside for UH-Manoa, \$23,856,555 for UH-Hilo, \$7,655,270 for UH-West Oahu, and \$59,862,860 for the community colleges, demonstrating your Committee's firm commitment to higher education.

Acknowledging the important role that student services and support play in academic success, your Committee finds that meeting the diverse personal needs of students is key to their growth and performance. Hence, your Committee has provided \$2,043,000 for student services at UH-Manoa. This will benefit students by expanding services for academic advising, counseling, student employment, health, and educational assistance services, as follows:

- \$885,650 in FY 2008 and \$890,000 in FY 2009 for undergraduate academic advising and counseling;
- \$150,000 and three positions in each year of the fiscal biennium for the Student Employment and Cooperative Education Program;
- \$271,000 in FY 2008 and \$386,500 in FY 2009 for health services; and
- \$150,000 in each year of the fiscal biennium for the Student Equity, Excellence, and Diversity program.

Additionally, UH-Manoa has been allocated:

- \$500,000 in FY 2008 and \$1,000,000 in FY 2009 for library services;
- \$1,404,000 in FY 2008 and \$1,929,000 in FY 2009 for the restoration of positions and funds for the College of Arts and Sciences; and
- \$3,634,725 in FY 2008 and \$3,953,817 in FY 2009 for the John A. Burns School of Medicine (JABSOM) Kakaako facility.

Ensuring access to quality post-secondary education for all residents of Hawaii continues to be the single most important mission of the UH community colleges. Your Committee recognizes the important role that the community colleges play in preparing students for basic job skill training and ongoing workforce development. Thus, your Committee has appropriated \$3,469,219 over the biennium to the community colleges to provide them greater flexibility to offer new classes as the need may arise, while keeping tuition affordable.

Your Committee has further supported the UH System by providing:

- \$820,000 to the UH-Manoa College of Education to enhance and expand its teacher education program;
- \$4,836,200 for workforce development at community colleges throughout the state;
- \$1,500,000 in FY 2008, and \$2,000,000 in FY 2009 for B-Plus scholarships for eligible, financially needy students;
- \$1,710,000 in tuition and fees special funds and \$834,084 in general funds in FY 2008, and \$750,000 in tuition and fees special funds and \$750,000 in general funds in FY 2009 for the College of Pharmacy at UH-Hilo;



- \$88,000 in tuition and fees special funds and \$153,167 in general funds in FY 2008, and \$272,000 in tuition and fees special funds and \$417,000 in general funds in FY 2009 for Phase I of the Student Life Center at UH-Hilo; and
- \$603,130 in tuition and fees special funds in FY 2008, and \$952,632 in tuition and fees special funds in FY 2009 for the relocation of the UH-West Oahu campus.

Your Committee has also provided \$1,080,756 over the biennium for the Hawaiian Knowledge Initiative at UH-Manoa. This program marks the beginning of a consolidation of the various Hawaiian studies and Hawaiian language programs throughout the campus into a School of Hawaiian Knowledge. For programs and academic support for native Hawaiian students in the community colleges, your Committee has provided \$2,037,526.

#### **Department of Health**

Your Committee recognizes the critical statewide necessity for timely and reliable access to EMS. However, a shortfall exists in the funding requested by the Administration for EMS ambulance contracts, which would place vital services to our communities at risk. To address this shortfall, your Committee has provided the necessary funding for these essential services, totaling \$4,811,639 in FY 2008 and \$5,529,757 in FY 2009 in general fund appropriations, with each county receiving:

- \$2,449,409 in FY 2008 and \$3,159,208 in FY 2009 for Oahu;
- \$925,214 in FY 2008 and \$1,127,172 in FY 2009 for Hawaii;
- \$412,323 in FY 2008 and \$118,478 in FY 2009 for Kauai; and
- \$1,024,693 in FY 2008 and \$1,124,899 in FY 2009 for Maui.

With the deployment of Hawaii's Medevac unit to Iraq, people in some of Hawaii's most remote areas have been left vulnerable. Your Committee has provided \$800,000 in general funds in FY 2008 and FY 2009 to fund emergency aeromedical ambulance services for Oahu, to transport injured persons to hospital facilities in the most expedient manner possible.

Preventive and emergency medical services provided in our rural communities are also of great concern to your Committee, especially with health care facilities in such areas threatening to close their doors as a result of losses from providing indigent and charitable care. To ensure ready access to these health care services, your Committee has provided \$3,800,000 in general fund appropriations for each year of the fiscal biennium for purchase of service contracts as follows:

- \$1,100,000 in each year of the fiscal biennium for the Waianae Coast;
- \$1,000,000 in each year of the fiscal biennium for Wahiawa;
- \$700,000 in each year of the fiscal biennium for Hana; and
- \$1,000,000 in each year of the fiscal biennium for the island of Molokai.

#### **Department of Human Services**

Your Committee recognizes the efforts of the Department of Human Services (DHS) to provide critical services to those least able to provide for themselves.

The children are the most vulnerable of the needy population. The Child Protective Services (CPS) division of DHS has made significant progress toward improving programs that serve abused and neglected children. The "Child and Family Services Review: Program Improvement Plan," a review required by the federal government, indicated that CPS's efficiency numbers in dealing with the immediate and ongoing needs of these children have increased. Your Committee is encouraged by this progress and has approved an additional \$2,500,000 in general funds and \$2,275,000 in federal funds in each year of FY 2007-2009 for additional services, including essential training for foster homes and adoptive parents. The amount appropriated is \$500,000 more than requested in the Administration's proposed budget, to correct an error that would have resulted in a loss of federal funding.

DHS is also charged with providing services to at-risk youth through the Office of Youth Services (OYS) and Hawaii Youth Correctional Facility (HYCF). After years of unacceptable conditions at HYCF, 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 health care, and provide special education services as needed.

While your Committee recognizes the progress cited in the DOJ report dated November 15, 2006, there are still concerns with HYCF's inability to hire and retain conscientious employees and use the extensive funding approved by the 2006 Legislature. Therefore, your Committee is providing HYCF with \$214,200 in additional general funds for essential training contracts as well as contracts to help alleviate abusive employee sick leave practices, which was highlighted in the State Auditor's Report No. 07-01, "Financial Audit of the Hawai'i Youth Correctional Facility". Your Committee encourages OYS to continue to make strides toward its improvement plan goals for HYCF.

During the 2006 Regular Session, the Legislature approved a request for \$1,300,000 for the Safe House Program. This program offers a temporary alternative for youth in need of residential placement that is more structured than a traditional group home, but less severe than incarceration at HYCF.

Funds for this program were provided for the past two years with the understanding that federal funding would become available. However, it does not appear that sufficient steps have been taken to qualify for Title IV-E federal funding. In addition, there are presently no certified teachers for the youth residing in the home, and the Safe House Program has not proven to be cost effective. While the purpose of the Safe House Program is commendable, DHS should demonstrate success with the current Safe House before expanding the program. Accordingly, your Committee has not approved the Administration's \$2,600,000 request for expansion of the Safe House Program.

The Deficit Reduction Act of 2005 (DRA) reauthorized the Temporary Assistance for Needy Families (TANF) block grant. However, the amendments incorporated into the DRA did not include many pieces of bipartisan welfare reauthorization bills that were in Congress, nor did many members of Congress have an opportunity to review the language before they were required to vote on it. The Center for Law and Social Policy characterized this reauthorization as being "deeply flawed." The new law substantially increased effective work requirements, yet provided only a minimal increase in child care funding, and also removed states' flexibility to tailor work requirements to participants' real needs.

Your Committee is concerned about the changes made to the TANF program, and to help facilitate DHS' transition, has concurred with the Administration's request to consolidate its multiple TANF programs into one. This consolidation will facilitate DHS' compliance with the TANF reauthorization requirements. DHS must,

however, understand that inappropriate or questionable expenditures will not be tolerated. In addition, your Committee invites DHS to work with the Legislature to ensure a seamless transition that minimizes the effects of federal changes on TANF recipients.

### **Department of Land and Natural Resources**

Hawaii's environment is one of the state's greatest resources, and your Committee has approved \$9,150,023 in FY 2008 and \$9,165,436 in FY 2009 for the Department of Land and Natural Resources (DLNR) to further its mission to conserve, protect, and manage Hawaii's natural and cultural resources for the benefit of present and future generations.

The laws that are designed to protect and conserve these resources must be enforced, and DLNR's Division of Conservation and Resources Enforcement (DOCARE) is tasked with this responsibility. State Auditor's Report No. 06-01, "Management Audit of the Division of Conservation and Resources Enforcement", revealed numerous deficiencies and called for various adjustments to current operations. Your Committee seeks to address these deficiencies by providing:

- \$301,500 in each year of the fiscal biennium for ten positions;
- \$744,100 in FY 2008 and \$234,800 in FY 2009 to automate operations and field reporting;
- \$198,640 in each year of the fiscal biennium for officer start-up costs, including training, computers, uniforms, GPS systems, and other equipment;
- \$50,000 in each year of the fiscal biennium to purchase rifles and shotguns; and
- \$230,000 in each year of the fiscal biennium to purchase boats and patrol vessels.

DOCARE can be improved by making structural changes in management through better record keeping, data tracking, and filing. Funds provided by your Committee should equip DOCARE with the analytic and evaluative tools needed to improve environmental enforcement decision-making.

A major threat to our unique natural resources is the far-reaching negative effects of invasive species on our native habitats. A rapid, effective, and proven response to invasive species is necessary. To support the Hawaii Invasive Species Council's (HISC's) continued efforts to control, eradicate, and respond to invasive species such as alien algae and seaweed, coqui frogs, fire ants, miconia, and fountain grass, your Committee has approved an additional \$1,000,000 in general funds and \$1,000,000 in Natural Area Reserve special funds for each year of the fiscal biennium.

In addition, your Committee has appropriated \$484,982 from the State Parks Special Fund in each year of the fiscal biennium to improve the Ranger Program for our public parks to provide better visitor and user education programs on the proper use and environmental value of the parks.

The tragedies that occurred with the breaching of Ka Loko Dam in March 2006 showed the need for more diligence in protecting the public from the effects of natural disasters. To support this effort, your Committee has provided \$308,821 in FY 2008 and \$274,821 in FY 2009 for the establishment of three positions to expand dam safety programs statewide.

Your Committee notes that the Administration proposed to consolidate their commercial and recreational functions related to Hawaii's marine fisheries into one program. This request has been denied and the functions have been kept separate because your Committee is concerned that consolidation would reduce the interplay and dialogue necessary for good public policy making. In the interest of ensuring continued dialogue among all users, your Committee has provided \$58,908 for a project manager for the Commercial Fisheries and Resources Management Division, which currently does not have a division chief.

### **Department of Agriculture**

Your Committee is dedicated to the development of agriculture in Hawaii, providing an additional \$4,936,250 in FY 2008 and \$4,358,999 in FY 2009, from all means of financing, for the Department of Agriculture (DOA) to ensure that agriculture remains a vital part of the economy. To maintain water resources and ensure public safety, your Committee has provided funds for an engineer for the non-agricultural park program to better monitor reservoirs under DOA jurisdiction, and \$3,000,000 in special funds in both years of the fiscal biennium for irrigation repair and maintenance. This will ensure adequate water resources and continued use of land for agricultural purposes.

The continued health and viability of agriculture as an industry also depends on the mitigation of threats posed by invasive species that attack crops or livestock. DOA's responsibilities and duties under the HISC allow DOA to play a vital role in the control of invasive species. Along with \$179,240 for brown tree snake control activities, your Committee has provided \$500,000 not included in the Administration's request for the Invicta manifest system to better aid the control of, and rapid response to, invasive species. This manifest system will catalogue shipments moving into and through the state, to help prioritize DOA's limited resources to intercept the highest-risk cargo.

### **Department of Public Safety**

Your Committee is dedicated to improving public safety and care for those incarcerated by the state, both inside and outside the Hawaii prison system. Therefore, your Committee is disappointed in the lack of consistent leadership by the Director of Public Safety and with the Administration's ongoing policy of sending inmates to out-of-state prisons. Appropriations made by previous Legislatures to expand, replace, or construct new correctional facilities have, unfortunately, been ignored.

As of February 28, 2007, there were 6,112 inmates assigned to the Department of Public Safety (DPS). Of this number, 3,486 are housed in State facilities originally designed to house only 2,451, another 2,112 inmates are in privately operated out-of-state facilities across four states, and 159 are in the federal detention facility near the Honolulu Airport.

To help DPS continue to control the overcrowding situation in the state operated correctional facilities, your Committee has provided an additional \$3,476,293 for necessary costs to continue to house Hawaii's inmates in out-of-state facilities.

In the interests of increasing transparency of DPS' budget and costs related to the stop-gap measure of placing inmates in contracted bed space, your Committee on Finance has created a new Program ID, PSD808, which indicates the funding amount for all prisoners incarcerated in non-state facilities, a total of over \$63,000,000. It is your Committee's hope that the Administration will begin the challenging task of working with the community and the Legislature to expand the State's capacity to house Hawaii's prisoner population locally.

To begin this task, the Administration's complacency with the status quo must change. State accounting records show that as of January 31, 2007, DPS had expended less than \$209,000 of the \$46,260,000 appropriated for the development of new state correctional facilities in the four previous fiscal years. These appropriations included projects to begin planning for the replacement of the Kauai Community Correctional Center and Oahu Community Correctional Center, the expansion and relocation of the Maui Community Correctional Center, the construction of vocational training facilities for the Hawaii Community Correctional Center, and planning for new in-state correctional treatment facilities.

In addition, of appropriations for new facilities made five years ago from fiscal biennium 2001-2003, DPS allowed \$1.23 million of a \$1.5 million appropriation for planning for a new secure treatment facility to lapse on June 30, 2004, and the entire amount appropriated for planning for transitional housing facilities remains unexpended.

Your Committee hopes that with new leadership, progress in this area will finally begin. Toward this end, your Committee has appropriated \$5,000,000 for the planning and design of one or more new correctional facilities on the island of Hawaii to provide no fewer than 500 beds and appropriate space for drug treatment and other rehabilitative programs. Each passing day with no effort made to begin the development of new in-state correctional facilities only delays the availability of modern and efficient correctional facilities, ending the practice of shipping inmates out of Hawaii.

#### **Department of the Attorney General**

The Department of the Attorney General (AG) administers the Career Criminal Prosecution Program and the Victim Witness Assistance Program. Both of these programs have been underfunded in recent years, resulting in the inability of the AG to classify criminals properly as career criminals and to prosecute them to the extent necessary for them to receive maximum sentences. These funding cuts have also resulted in a loss of assistance and support services to victims and witnesses of crimes.

Your Committee finds that the Governor's request for \$259,610 in each fiscal year of the fiscal biennium is insufficient to make up for the years of reduced funding and has, therefore, increased the appropriation for these programs to \$489,002 for each year of the fiscal biennium.

#### **Department of Hawaiian Home Lands**

Your Committee continues to support native Hawaiians as they strive to build homes, gain self-sufficiency, and preserve their culture. Your Committee also recognizes that the effectiveness of the Department of Hawaiian Home Lands (DHHL) is crucial in attaining the planned goals established by the Hawaiian Homes Commission Act of 1920.

In the interest of transparency, your Committee has requested that the Auditor conduct an audit of DHHL. Your Committee came to this decision after several alarming discrepancies were revealed. As of December 31, 2006, DHHL had expended only 27 percent, or \$84,100,000, of the \$225,000,000 in trust funds received since settlement payments began in the mid-1990s. Your Committee believes it is vital to address both the appropriateness of accelerating settlement payments as requested by the Administration, and the progress made by DHHL in carrying out the purpose of the Hawaiian Home Lands Trust.

Further, your Committee questions the appropriateness of a one-year, zero-interest loan of \$80,000,000 from the State's general fund, granted to DHHL by the Director of Finance to finance construction projects. In addition, your Committee is concerned that the transfer of 16,518 acres, called for in section 19 of Act 14, Special Session Laws of Hawaii 1995, has not yet been completed. These and other issues should be more carefully examined by a thorough audit of DHHL's activities and practices.

#### **Department of Transportation**

Consolidation of the Kakaako Makai lands under the Hawaii Community Development Authority's (HCDA) management to facilitate a large-scale development project, including residential development, was the original reason for the transfer of management of Kewalo Basin from the Department of Transportation's (DOT) Harbors Division to HCDA. Your Committee finds it puzzling that although the Kakaako Makai project was cancelled last year as a result of Act 317, Session Laws of Hawaii 2006, the Administration decided to move ahead with the July 1, 2007, transfer of the harbor management responsibility.

This enthusiasm to transfer management and immediately rehabilitate the harbor has driven HCDA to propose steep increases in the slip fee schedule, institute a common area maintenance charge, and require mandatory insurance coverage for harbor users. These requirements could threaten the livelihood of many existing harbor users. Your Committee finds that DOT has sufficient financial resources to initiate needed improvements without such drastic fee increases. Your Committee hopes that HCDA will work with DOT and harbor users over the next year to develop a better plan for harbor improvements and develop a more appropriate fee schedule.

While the Administration remains enthusiastic regarding its proposed transfer of the management of Kewalo Basin from DOT's Harbors Division to HCDA, your Committee has decided to take a more cautious approach. To this end, your Committee denied the deletion of funds for Kewalo Basin and appropriated funds for a pier repair construction project through DOT's Harbors Division rather than through HCDA.

#### **Department of Defense**

Cuts in federal funding have caused your Committee to be concerned about the capacity of the Hawaii National Guard to respond to state missions. The Air National Guard has indicated to your Committee that their operations and maintenance funds were cut by the federal government by four percent in FY 2005 and 18 percent in FY 2006. The Army Guard had their operations and maintenance budget reduced by \$7,500,000 from FY 2006 to FY 2007. Over time, these federal cuts will likely force the Army and Air Guard to reallocate resources from within their remaining budgets to meet fixed cost requirements, at the expense of other activities such as training. Unfortunately, with the Bush Administration's decision to maintain or increase troop levels in Iraq, both the Air and Army Guard are anticipating additional cutbacks in federal funding. Therefore, your Committee has asked the state Department of Defense (DOD) to conduct an assessment on readiness and report back to the Legislature prior to the next Regular Session.

Your Committee is also deeply concerned by recent revelations of the inadequacy of services for veterans returning from the military conflicts in Iraq and Afghanistan, particularly conditions at the Walter Reed Army Medical Center. Despite how people may feel about the Bush Administration's rationale for engaging in a war in Iraq or entering into military actions in Afghanistan, the men and women of our armed forces and the Hawaii National Guard deserve our gratitude and wholehearted support. To that end, the State must work to ensure appropriate and adequate services for our veterans. Through this measure, your Committee has asked DOD's Office of Veteran Services to undertake a comprehensive assessment of the adequacy of mental health, medical, job training, and employment services for veterans and to report back to the Legislature prior to the next Regular Session. Your Committee is committed to seeing that the moral mistake of failing to provide appropriate services to the veterans who return home from foreign wars is not repeated. The resulting pain, indignity, and loss of human potential must not be inflicted upon another generation of veterans.

### **CAPITAL IMPROVEMENTS PROGRAM**

Your Committee carried out a careful, thorough review of the Administration's Capital Improvement Program (CIP) priorities, providing funding for as many projects as possible. However, your Committee made the difficult decision to adjust downward by \$200,000,000 the Administration's plan to borrow money to finance construction projects. Your Committee accordingly took a measured, judicious approach in assessing and funding the CIP projects contained in this Executive Budget proposal.

In addition, your Committee placed a slightly higher priority than the Administration on supporting the facility needs of public schools and UH. Total CIP appropriations for public schools were increased by \$93,561,000 over the amount requested, with greater emphasis on addressing the repair and maintenance needs of all public schools, maintaining compliance with various codes and health and safety requirements, and responding to feedback from the schools' communities for specific campus improvements. In addition, funding for the UH System was increased by \$48,299,000 over the Administration's request to support needs for facility improvements at UH-Manoa and UH-Hilo, as well as needs at the Windward, Leeward, Hawaii, Maui, and Kauai Community Colleges.

To ensure funding would be available for priority projects, your Committee looked to alternative sources of funding to support many of the requested construction projects. Several examples of this strategy are found in the CIP budget of DLNR, where funds from the Special Land and Development Special Fund were appropriated for several high priority projects of the Administration and Legislature. These include dam assessment work, rock fall mitigation projects on Kauai and at Diamond Head, land

acquisition at Maalaea Harbor, and pesticide mitigation work for Central Oahu. A review of DLNR's report on this special fund's activities revealed that in FY 2006 this fund had an ending cash balance of over \$12,800,000, revenues of over \$13,000,000, and expenditures of under \$4,600,000.

Other funds used for priority projects of the Administration include the State Parks Special Fund, the Dwelling Unit Revolving Fund, and the Works of Art Special Fund. Another approach used to reduce spending included appropriating first year funding for many lump-sum projects at the level requested, but deferring second year funding. This will allow departments to begin work on the various projects, and provide them the opportunity to come before the Legislature with a supplemental budget request if their progress warrants additional appropriations.

The October earthquake demonstrated an inability to warn the public in a time of critical need. As such, your Committee has provided funding to hang ten million dollars worth of new and replacement emergency warning sirens across the state to help address this critical need.

Highlights of projects and funding provided by the Legislature include:

- \$75,000,000 for repair and maintenance work at public schools, statewide;
- \$40,000,000 for Windward Community College Library construction;
- \$37,000,000 for Maui Community College Science Building construction;
- \$26,000,000 for UH-Hilo Student Service Building construction;
- \$25,000,000 for electrical upgrades for public schools, statewide;
- \$8,000,000 for improvements to the Hilo Medical Center;
- \$6,800,000 for facilities to support nursing program expansion at Leeward, Maui, Hawaii, and Kauai Community Colleges;
- \$5,140,000 for Kapaa Elementary School Library;
- \$5,000,000 for planning and designing new correctional facilities with treatment and rehabilitation program space on the island of Hawaii;
- \$5,000,000 for Kalaheo Elementary School Administration /Classroom building;
- \$4,000,000 for gender equity projects at public schools, statewide;
- \$4,500,000 for Kilauea Elementary School Cafeteria;
- \$3,500,000 for completion of a six-classroom building at Naalehu Elementary and Intermediate School;
- \$3,100,000 for improvements at Maui Memorial Hospital;
- \$3,000,000 for completion of a new gymnasium for Pahoa High School;
- \$2,900,000 for development of an Education Resource Center in North Hawaii;
- \$2,850,000 for cafeteria expansion for McKinley High School;
- \$2,600,000 for structure improvements at Waihee Elementary;
- \$2,500,000 for a covered play court at Mililani Middle School;
- \$2,300,000 for playground improvements for public schools, statewide;
- \$2,250,000 for various improvements at Niu Valley Intermediate School;
- \$2,000,000 for asbestos abatement at public schools;
- \$2,000,000 for electrical and air conditioning improvements for Waianae Intermediate School; and
- \$1,950,000 for a library expansion project at Waimalu Elementary.

#### **ECONOMIC CONCERNS**

While Hawaii has enjoyed a very robust economy in recent years, there are troubling signs for Hawaii's economic future. Government must ride the economic waves and alter its spending as the economy rises and falls.

On February 23, 2007, the Department of Business, Economic Development, and Tourism (DBEDT) published its latest "Quarterly Statistical and Economic Report", forecasting that "Hawaii's economy will maintain moderate growth in 2007." DBEDT notes that Hawaii's real Gross Domestic Product increased 2.7 percent in 2006, and predicts growth of 2.6 percent in 2007 and 2.5 percent in 2008. Visitor growth forecasts, although a 1.2 percent decrease from previous forecasts, remain positive at 1.4 percent in 2007.

President Bush's budget as submitted to Congress in early February, contains sizable reductions for domestic discretionary programs over the next five years. The Center on Budget and Policy Priorities stated that "[i]n many key areas – including education, the environment, and state and local law enforcement – funding in FY 2008 would fall below the expected FY 2007 level, adjusted for inflation . . . The cuts would then grow deeper in the years after 2008." Reductions for domestic discretionary programs in 2012 would amount to \$34,000,000,000 or 7.6 percent, relative to 2007 funding levels.

President Bush's budget includes the following cutbacks:

- \$9,900,000,000 from K-12 and vocational education over five years;
- \$4,100,000,000 from community health centers, domestic HIV/AIDS programs, and maternal and child health over five years;

- \$5,800,000,000 from employment and training services over five years;
- \$9,400,000,000 from criminal justice assistance over five years; and
- \$6,900,000,000 from Community Development Block Grants over five years.

In its latest report on state budget actions, the National Conference of State Legislatures (NCSL) notes that in FY 2006-2007, while state fiscal conditions appear to be solid, "modest revenue growth projections are expected to lag budgeted spending levels, so year-end balances are forecast to decline." The report later states that "other fiscal challenges, such as unfunded pension liabilities and costs for public employee retiree care, are looming and carry sizeable price tags. Lawmakers also are concerned about federal-to-state cost shifts that could derail balanced state budgets."

NCSL has indicated that nationwide, \$75,000,000,000 in costs have been shifted from the federal level to the states through unfunded mandates, including the No Child Left Behind and Real ID programs. In addition, the DRA changed many of the requirements of the TANF program. These changes will save the federal government approximately \$39,000,000,000. However, the burden of providing services to TANF recipients now falls more heavily on the states.

In 2004, the Government Accounting Standards Board issued Statement 45, which requires all government entities to report on the unfunded liability related to Other Post-Employment Benefits, specifically health care costs. Like many other states, Hawaii uses a pay-as-you-go system to pay for health benefits, and has very few funds available to address any unfunded liability. While exact figures are not yet available, state government must address this concern, which could potentially be billions of dollars.

This combination of federal budget cuts, impending recession, and unfunded liability has the potential to create an economic tidal wave for Hawaii's citizens. The time for tough decisions may soon be upon us.

On March 2, 2007, the Department of Taxation issued a general fund revenue update for the month of January. The seven months of data available for the current fiscal year indicate that FY 2007 tax revenue collections have increased by 4.3 percent over taxes collected in FY 2006. The revenue projection of the Council on Revenues is currently 6.0 percent in FY 2007. Your Committee on Finance remains cautiously optimistic that the economy will be strong enough to make up the difference in the next five months.

An examination of current growth in state government also provides reason for caution. In the past four years, the state executive branch general fund budget has grown 44.2 percent from \$3,700,000,000 in FY 2004 to \$5,400,000,000, as requested by the Governor, in FY 2008, a growth of \$1,700,000,000 in four years. By comparison, from 1996 to 2004, expenditures for all of state government grew from \$3,100,000,000 to \$3,700,000,000, or \$600,000,000 in eight years.

Although FY 2006 ended with a surplus of over \$700,000,000, the spending plan submitted by the Governor shows deficit spending of \$238,900,000 in FY 2008 and \$172,400,000 in FY 2009, culminating in a cash balance of \$43,100,000. This seems to indicate that recurring expenditures are not aligned with recurring revenues.

Expenditures that grow at such rates will create structural deficits if revenue growth does not follow. One-time expenditures that will immediately improve infrastructure are preferable over unsubstantiated recurring expenditure requests.

Like any other piece of legislation, the budget represents the different priorities that different people may have. After listening to the public, your Committee agrees with some of the priorities of the Governor and disagrees with others. Unfortunately, deeper analysis of some of the Governor's recommendations has revealed serious weaknesses. Several key appropriations were missing which were included in Governor's Messages dated February 14, 2007, February 15, 2007, and March 2, 2007. While the March Message arrived too late for serious consideration by your Committee, several of the Administration's shortcomings were nonetheless addressed as a result of your Committee's own investigations. In addition, your Committee anticipates at least two more Governor's Messages making further corrections to the original December submittal.

As much as your Committee would like to commit resources to many of the initiatives endorsed by the Governor, your Committee must look to the future. Economic momentum cannot be sustained without investment in the basics. These basics include:

- Educational programs and infrastructure at DOE and UH;
- Health care initiatives and EMS infrastructure;
- Homeless services and the creation of affordable housing;
- Disaster planning and preparedness and the state infrastructure needed to respond to disasters; and
- Veteran services and a needs assessment to ensure that our troops returning from Iraq and Afghanistan receive the support they need.

### CONCLUSION

The budget is a complex document, which attempts to balance the diverse needs and priorities of the people of Hawaii. Your Committee faced competing needs during its formulation of the budget, requiring it to make difficult decisions. The intent of your Committee is to invest in our future and provide the essential services requested and needed by the community.

This budget appropriates a total of \$10,317,792,076 in FY 2008 and \$10,519,942,447 in FY 2009. When reviewing the general fund portion of the budget, your Committee appropriated \$5,167,921,115 in FY 2008 and \$5,263,801,995 in FY 2009. When compared to the budget submitted by the Governor in December 2006, this budget represents an increase of \$2,712,555 in FY 2008 and a decrease of \$19,715,508 in FY 2009, resulting in a total reduction of \$17,002,953 in general fund appropriations for the fiscal biennium.

This draft is just one step in the budgetary process. Your Committee on Finance looks forward to working with both the Senate Committee on Ways and Means and the Administration to craft the best possible budget for all 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. 500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

### SCRep. 1216 Human Services & Housing on H.C.R. No. 22

The purpose of this concurrent resolution is to request the committees with the subject matter jurisdiction over human services and the Judiciary of the Senate and House of Representatives to reconvene the Task Force established by Senate Concurrent Resolution No. 52, S.D. 1, Regular Session of 2006, to further study the outstanding recommendations of the four committees that were formed to wit: Family Court Models, Family Court Sunshine and Accountability, Temporary Restraining Orders, and the Best Interests of the Child; and any other related issues.

The Hawaii Chapter of the National Association of Social Workers, Domestic Violence Clearinghouse and Legal Hotline, and a concerned individual testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Amending its title to read: "REQUESTING THE COMMITTEES WITH SUBJECT MATTER JURISDICTION OVER HUMAN SERVICES AND THE JUDICIARY OF THE SENATE AND HOUSE OF REPRESENTATIVES TO RECONVENE THE TASK FORCE ESTABLISHED IN SCR 52, SD1, REGULAR SESSION OF 2006, TO FURTHER STUDY RECOMMENDATIONS MADE BY THE TASK FORCE'S COMMITTEES RELATING TO THE FAMILY COURT.";
- (2) Requesting that copies of the concurrent resolution be transmitted to all family courts in all circuits; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 22, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

**SCRep. 1217 International Affairs on H.C.R. No. 42**

The purpose of this concurrent resolution is to acquire international recognition for the legally unregistered children of the People's Republic of China by requesting the United Nations General Assembly to issue a resolution on their behalf.

The Senator of the 13th District, the Education Advancement Fund International, and two concerned citizens testified in support of this resolution. The Representative of the 17th District supported the resolution with amendments.

Your Committee received written testimony that in the People's Republic of China (PRC), a one child-per-family policy known as the "jihua shengyu" exists and is enforced by the State Family Planning Commission and the Communist Party as a result of growing overpopulation. Families which exceed the one child ceiling are required to pay a social compensation fee, and those who are unable to pay the fee are penalized by their child not being legally registered. Your Committee was informed that eight million children – roughly equivalent to the current population of the State of Virginia – are currently unregistered in the PRC as a result of this policy. These children, who are unregistered, neither exist officially or are eligible to receive education or state welfare benefits.

A concerned citizen informed your Committee with written comments that

"the millions of unregistered children in China ... provide a terrible potential vector for insurgency in later decades. History is full of examples of disaffected persons and peoples who, forgotten by their government, rose up in insurrection. These persons who are 'off the grid' are also perfect for recruitment by terrorist organizations since they do not officially exist and have no official record with any government."

In light of this testimony, your Committee finds that a significant humanitarian crisis exists in the PRC and that international attention is merited regarding the plight of the Hei Haizi. Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on International Affairs 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 its adoption in the form attached hereto as H.C.R. No. 42, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Green, Takai and Ward.

**SCRep. 1218 Energy & Environmental Protection on S.B. No. 958**

The purpose of this bill is to recognize the importance of the kalo, or taro, in the heritage of the State by creating a ten-year moratorium on developing, testing, propagating, cultivating, raising, and growing of genetically modified taro in Hawaii.

Specifically, this bill prohibits the developing, testing, propagating, cultivating, raising, or growing of taro in Hawaii and defines "genetically modified" and "recombinant DNA technology" in a new section in chapter 321, Hawaii Revised Statutes (Department of Health). This bill is repealed on June 30, 2017.

Your Committee received testimony in support of this bill from Hanalei Poi Company LLC, Kauai Taro Growers Association, Sierra Club Hawaii chapter, and five individuals. Testimony in opposition was received from the Vice President for Research of the University of Hawaii, the Dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Science & Technology Council, THP, and eight individuals. The Departments of Health and Agriculture offered comments.

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

- (1) Changing section 2 of the bill, which creates a new section in chapter 321, Hawaii Revised Statutes, into uncodified session law;
- (2) Inserting clarifying language in section 2 that specifies the prohibition only extends to June 30, 2017; and
- (3) Making technical nonsubstantive amendments for the purpose 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. 958, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 958, S.D. 1, H.D. 1, and be referred to the Committee on Agriculture.

Signed by all members of the Committee except Representatives Chong, Saiki and Thielen.

**SCRep. 1219 Labor & Public Employment on H.C.R. No. 48**

The purpose of this resolution is to request that a study be undertaken regarding the necessity and feasibility of providing child care services for children of state employees.

The Hawaii Government Employees Association and the Good Beginnings Alliance testified in support of this measure. The Department of Labor and Industrial Relations offered comments.

Your committee finds that the availability of child care services is increasingly at issue due to the growing number of parents in the workforce. Providing child care services for state employees would help employees with young children obtain affordable child care, open up private child care facilities to other families, enable state employers to recruit and retain employees, and reduce employee absenteeism due to child care issues.

Based on the testimony received on this measure, your committee finds that the Department of Human Resources Development would be a more appropriate agency to conduct the requested study, instead of the Department of Labor and Industrial Relations. Accordingly, references to the "Department of Labor and Industrial Relations" have been replaced by "Department of Human Resources Development."

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 48, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 48, H.D. 1.

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

**SCRep. 1220 International Affairs on H.R. No. 29**

The purpose of this resolution is to recognize the plight of Duane "Dog" Chapman and request the President and Congress of Mexico and the Second District Court of Guadalajara to drop charges of extradition.

The Word of Life Christian Center, Hawaii State Commission on the Status of Women, and numerous concerned individuals testified in support of this resolution. Duane "Dog" Chapman offered amendments. Several concerned individuals opposed this measure. Numerous concerned individuals provided comments.

Your Committee notes that numerous individuals submitted testimony and comments, sharing many different view points. Those in favor of the resolution expressed support for Mr. Chapman and his efforts to pursue justice and provide safer communities. Supporters also indicated that Mr. Chapman may not receive a fair trial in Mexico.

Individuals opposing this measure expressed dismay at the actions of bounty hunters who remain unregulated, and that the State is entertaining the possibility of breaking an extradition treaty between Mexico and the United States that has been in place for decades.

Your Committee has amended this measure by:

- (1) Changing the title of this resolution to read: "REQUESTING THE PRESIDENT OF MEXICO AND MEXICAN JUDICIAL AUTHORITIES TO DISMISS PENDING CHARGES AND WITHDRAW THE REQUEST FOR EXTRADITION REGARDING FUGITIVE SPECIALISTS DUANE "DOG" CHAPMAN, LELAND CHAPMAN, AND TIM CHAPMAN";
- (2) Replacing several proper names with titles; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 29, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 29, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Shimabukuro and Takai.

**SCRep. 1221 International Affairs on H.C.R. No. 50**

The purpose of this concurrent resolution is to recognize the plight of Duane "Dog" Chapman and request the President and Congress of Mexico and the Second District Court of Guadalajara to drop charges of extradition.

The Word of Life Christian Center, Hawaii State Commission on the Status of Women, and numerous concerned individuals testified in support of this concurrent resolution. Duane "Dog" Chapman offered amendments. Several concerned individuals opposed this measure. Numerous concerned individuals provided comments.

Your Committee notes that numerous individuals submitted testimony and comments, sharing many different view points. Those in favor of the resolution expressed support for Mr. Chapman and his efforts to pursue justice and provide safer communities. Supporters also indicated that Mr. Chapman may not receive a fair trial in Mexico.

Individuals opposing this measure expressed dismay at the actions of bounty hunters who remain unregulated, and that the State is entertaining the possibility of breaking an extradition treaty between Mexico and the United States that has been in place for decades.

Your Committee has amended this measure by:

- (1) Changing the title of this concurrent resolution to read: "REQUESTING THE PRESIDENT OF MEXICO AND MEXICAN JUDICIAL AUTHORITIES TO DISMISS PENDING CHARGES AND WITHDRAW THE REQUEST FOR EXTRADITION REGARDING FUGITIVE SPECIALISTS DUANE "DOG" CHAPMAN, LELAND CHAPMAN, AND TIM CHAPMAN";
- (2) Replacing several proper names with titles; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 50, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Shimabukuro and Takai.

**SCRep. 1222 Human Services & Housing on S.B. No. 600**

The purpose of this bill is to encourage landowners to convey their fee interests to lessees by providing fee owners of units within a condominium project, cooperative project, or planned unit development with the opportunity to exclude from their taxable income, 100 percent of the capital gains realized from the sale of the leased fee interest to the association of apartment owners or residential cooperative corporation of the leasehold units. This exemption would be available from the 2008 through 2012 taxable years.

The Hawaii Association of Apartment Owners, Monarch Properties, Inc., Hawaii Association of REALTORS, Hawaii Independent Condominium & Cooperative Owners, and Hawaii Legislative Action Committee of the Community Associations Institute testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600 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 Cabanilla and Mizuno.

**SCRep. 1223 Health on S.B. No. 58**

The purpose of this bill is to provide for the orderly transition of a dental practice during contingencies by allowing the executor or administrator of a dentist's estate or the legal guardian or authorized representative of a dentist to continue the operations of the deceased or incapacitated dentist's practice for up to one year.

Several concerned individuals supported this bill. The Board of Dental Examiners and Hawaii Dental Association supported this measure with amendments.

Your Committee has amended this bill by changing the effective date to July 1, 2049, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, 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 Cabanilla and Takai.

**SCRep. 1224 Health on S.B. No. 1253**

The purpose of this bill is increase efficiency in providing health care services in our State managed hospitals by allowing an exemption from various State contracting laws for the Hawaii Health Systems Corporation (HHSC) to allow them to remain viable and respond to the specific needs of the communities they serve.

HHSC, Hilo Medical Center, and Ka'u Hospital supported this bill. The State Procurement Office did not support this measure. The American Institute of Architects Hawaii State Council, Diagnostic Laboratory Services, Inc., and Coalition of Hawaii Engineering and Architectural Professionals opposed this bill. The Department of Accounting and General Services submitted 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1253, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Cabanilla and Green.  
(Representative Rhoads voted no.)

**SCRep. 1225 Health on S.B. No. 69**

The purpose of this bill is to improve access to health care statewide, especially in our rural, underserved areas by directing the State Health Planning and Development Agency (SHPDA) to develop and maintain a statewide comprehensive health care workforce map and database to:

- (1) Compile and analyze existing data on the supply and distribution of all health care practitioners, technicians, and other health care workers by specialty and practice location;
- (2) Develop a plan to collect and systematically update data; and
- (3) Project and develop a plan to meet future health care workforce needs.

The Hawaii Medical Service Association, Hawaii Pacific Health, Mayor of the County of Hawaii, and an concerned individual supported this bill. The Hawaii Medical Association supported the intent of this measure. The Department of Health and Department of Human Services submitted comments.

Your Committee finds that a health care workforce map and database is an essential tool in providing data critical to understanding our workforce needs. It is encouraging that this project is becoming a reality. To assist in illustrating the actual areas affected by identified health care workforce shortages and to raise public awareness, your Committee finds that as the development of the map and database progresses, the use of satellite imagery such as what is available now on the Internet may be worthy of consideration.

Your Committee has amended this bill by:

- (1) Removing SHPDA as the agency responsible for the development and maintenance of the health care workforce map and database;
- (2) Providing for the development of projections through 2020 of the health care workforce supply and demand to identify shortages;
- (3) Ensuring that data collected is accurate and secure and that data specific to any practitioner will be disclosed only with the express written consent of the practitioner;
- (4) Inserting an appropriation of \$500,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009; 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. 69, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 69, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 1226 Health on S.B. No. 53**

The purpose of this measure is to include the services of marriage and family therapists among the alcohol dependence, drug dependence, and mental illness treatment services that are required to be included in health insurance policies and their equivalents that are issued in this State.



Your Committee received testimony in support of this measure from the Hawaii Psychological Association and a concerned citizen. Comments on the measure were received from the Insurance Commissioner.

Your Committee finds that this measure will increase the types of mandated services available to insureds under a health insurance policy and thereby expand the choice of health care providers available to insureds. Your Committee finds that this measure also protects the safety of insureds by limiting benefit coverage to services of licensed therapists.

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. 53 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 Cabanilla and Takai.

**SCRep. 1227 Consumer Protection & Commerce on S.B. No. 923**

The purpose of this bill is to assist condominium associations in collecting delinquent maintenance fees by making permanent the law allowing condominium associations to assess delinquent maintenance fees against a person who, in a foreclosure proceeding, purchases an apartment to which the fees are attached.

The Real Estate Commission, Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, and Hawaii Legislative Action Committee of the Community Associations Institute testified in support of this bill. The Hawaii Bankers Association submitted comments.

Your Committee finds that section 514B-146(g), Hawaii Revised Statutes, includes a temporary provision allowing a condominium association to recover up to \$1,800 of the last six months of delinquent maintenance fees from the purchaser of a delinquent apartment in a foreclosure sale, or subsequent purchaser. This bill removes the provision's sunset date of December 31, 2007.

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. 923 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Caldwell, Green, Luke and Thielen.

**SCRep. 1228 Consumer Protection & Commerce on S.B. No. 1007**

The purpose of this bill is to promote the fair application of the general excise tax (GET) by allowing securities professionals to pay the GET only on their respective share of commissions divided among a number of parties.

Brookstreet Securities Corporation, Linsco/Private Ledger Corp., and a concerned individual testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that insurance agents and real estate brokers and salespersons are only required to pay the GET on their actual share of commissions in cases where the commission is split among a number of parties. This bill extends the same treatment to securities professionals and prevents their commissions from being subjected to the GET more than once.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon this bill's approval; and
- (2) Providing that the provisions of this bill apply to gross income or gross proceeds received after December 31, 2006.

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. 1007, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1007, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Green, Luke and Thielen.

**SCRep. 1229 Energy & Environmental Protection on S.B. No. 988**

The purpose of this measure is to establish a photovoltaic rebate program to all grid-connected residential, community-center, and small business utility customers.

Your Committee received testimony in support of this measure from the Public Utilities Commission, Hawaii Energy Policy Forum, Hawaii Solar Energy Association, Provision Technologies, Inc., Sun Edison LLC, Plum Hall, Inc., Hawaii PV Coalition, Rising Sun Solar Electric, Creative Commons, Sopogy, Inc., Zero Emissions Leasing, LLC, Island Energy Solutions, Inc., Sierra Club, and five concerned individuals. Comments were submitted by the Division of Consumer Advocacy, Hawaiian Electric Company, the Kauai Island Utility Cooperative, University of Hawaii Environmental Center, and Hawaii Renewable Energy Alliance.

Your Committee finds that the subsidization of the installation of photovoltaic systems through a rebate program funded through the general fund may be an unfair burden placed on Hawaii's taxpayers.

Your Committee further finds that it is more appropriate that such a rebate program be carefully assessed by the Public Utilities Commission to ensure that the utility and ratepayer will benefit by the policies and rates established by rule or order after a thorough investigation of a rebate program.

Accordingly, your Committee has amended this measure by:

- (1) Requiring an assessment by the Public Utilities Commission before a photovoltaic rebate program may be offered;
- (2) Granting the Public Utilities Commission discretion to establish the rebate program, rather than requiring such establishment;
- (3) Deleting language specifying the rebate rates for the rebate program;
- (4) Specifying that participants in the rebate program will not be eligible for a renewable energy technologies income tax credit;
- (5) Deleting the appropriation section and renumbering remaining sections accordingly; and
- (6) Changing the repeal date of the measure to June 30, 2013.

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. 988, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 988, 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 Thielen.

**SCRep. 1230 Energy & Environmental Protection on S.B. No. 990**

The purpose of this measure is to clarify and strengthen the Public Utilities Commission's authority under the petroleum industry monitoring, analysis, and reporting program.

Specifically, this measure:

- (1) Requires the Public Utilities Commission to refer to the Attorney General any violations of chapter 486B, Hawaii Revised Statutes (Unfair Trade Practices of Petroleum Industry), of which it becomes aware through the exercise of its duties pursuant to chapters 486H and 486J, Hawaii Revised Statutes;
- (2) Adds a new definition to section 486J-1, Hawaii Revised Statutes, for "major fuel user" to distinguish a person that uses fuel in the manufacture of goods or the generation of power from a distributor;
- (3) Amends certain other definitions in section 486J-1, Hawaii Revised Statutes, by deleting the word "department" and inserting "commission" to conform with earlier amendments to chapter 486J;
- (4) Amends sections 486J-3 and 486J-4, Hawaii Revised Statutes, allowing the Public Utilities Commission to require and not simply request additional information from persons in the petroleum industry;
- (5) Grants the Public Utilities Commission the authority to investigate any distributor and the manner in which it operates, all of its financial transactions, business relations with other persons, and all matters affecting its relations with the public;
- (6) Grants the Public Utilities Commission the powers to issue oaths, require the production of documents, subpoena and examine witnesses, and punish for contempt, as are possessed by the circuit courts; and
- (7) Makes appropriations into and out of the petroleum monitoring, analysis, and reporting special fund for staff positions to be expended by the Public Utilities Commission.

Your Committee notes that Act 78, Session Laws of Hawaii 2006, directed the Public Utilities Commission to establish the petroleum monitoring, analysis, and reporting program to provide true transparency in the petroleum industry and to discourage the industry from using price maintenance schemes or other anti-competitive practices that artificially raise consumer gasoline prices. It also expanded and redefined the types of information the petroleum industry must submit to the Public Utilities Commission. This measure and a similar House Bill No. 1790, H.D. 1, further strengthen the Public Utilities Commission's authority under the petroleum industry information program.

Your Committee also notes that this measure is integrally tied to the following two house bills presently being considered in the Senate:

- (1) House Bill No. 500, H.D. 1, the state budget bill, that should reflect the appropriation provisions contained in this measure to fund the efforts of the Public Utilities Commission; and
- (2) House Bill No. 1005, H.D. 2, that provides for the reorganization of the Public Utilities Commission to allow it to successfully implement current and future energy policy reform.

Your Committee has amended this measure by:

- (1) Deleting the language contained in section 2 and inserting similar, but more direct, language from House Bill No. 1790, H.D. 1;
- (2) Adding a new section to chapter 486J, Hawaii Revised Statutes, directing the Department of Business, Economic Development, and Tourism to use the information provided by the petroleum industry monitoring, analysis, and reporting program to effectuate the purposes of chapter 196 and chapter 125C, Hawaii Revised Statutes, and other relevant laws;
- (3) Making an appropriation to be expended by the Department of Business, Economic Development, and Tourism to permit it to carry out its responsibilities pursuant to the new section cited in paragraph (2) above; and
- (4) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 990, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 990, 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 Chong, Saiki and Thielen.

**SCRep. 1231 Energy & Environmental Protection on S.B. No. 1026**

The purpose of this measure is to include the sixty-eight ounce beverage bottle in the State's deposit beverage container program.

The measure also makes other amendments to strengthen the deposit beverage container program.

Your Committee received testimony in support of this measure from the Sierra Club. Reynolds Recycling and the University of Hawaii's Environmental Center offered comments. The Coca-Cola Bottling Company of Hawaii and the Pepsi Bottling Group suggested amendments to the measure. The Department of Health and the Hawaii Food Industry Association submitted testimony in opposition to the measure.

Your Committee finds that the widespread use of sixty-eight ounce beverage bottles warrants their inclusion in the deposit beverage container program. These two-liter sized containers have been sold in Hawaii for many years and are an ideal size for larger families and large gatherings.

Your Committee also finds that this measure will strengthen the deposit beverage container program by furthering the State's efforts to not only facilitate solid waste management, but also to reduce or eliminate the littering of beverage containers in the State.

Your Committee has amended the measure by:

- (1) Allowing the Director of Health to temporarily suspend an automatic increase in the deposit beverage container fee if, after consultation with the Auditor, it is determined that the deposit beverage container deposit special fund is sufficiently funded;
- (2) Allowing customers to request that the refund value of beverage containers be computed by container only if the consumer is redeeming not more than fifty containers of each material type per visit;
- (3) Removing the proposed amendments to section 342G-115, Hawaii Revised Statutes, relating to reverse vending machine requirements, and instead exempting "steel or bi-metal cans or unique containers defined by rule" from the type of containers that reverse vending machines must accept;
- (4) Changing the "phase in" period for the redemption of sixty-eight ounce containers from "July 1, 2007, to July 1, 2008" to "December 1, 2007, to March 1, 2008"; and
- (5) Changing the required hours of operation for redemption centers to at least thirty hours per week in high density population areas, of which not less than five hours shall be on a Saturday or Sunday.

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. 1026, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1026, S.D. 2, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Chong, Saiki and Thielen.

**SCRep. 1232 Human Services & Housing/Health on S.B. No. 1176**

The purpose of this bill is to conform the early intervention services law with the reauthorized Individuals with Disabilities Education Act of 2004, to provide early intervention services for certain children ages three to five.

Specifically, this bill repeals the definition of "delayed development", adds a definition of "developmental delay", and amends the definitions of "early intervention services", and "infants and toddlers with special needs". The effective date is July 1, 2020.

Your Committees received testimony in support of this bill from the Department of Education, the Cure Autism Now Foundation, Hawaii chapter, The Hawaii Down Syndrome Congress, the Hawaii Nei Keiki Center, The Aloha Place, the Good Beginnings Alliance, and eleven individuals. Testimony in opposition was received from the Department of Health and the Hawaii Early Intervention Coordinating Council. The State Council on Developmental Disabilities offered comments.

Your Committees believe that this measure will help to provide safe and supportive environments to meet the needs of eligible children. Your Committees note that Easter Seals currently provides relevant services and should be considered by the Department of Health to provide contracted services.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1176, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Rhoads, Cabanilla and Takai.

**SCRep. 1233 Human Services & Housing on S.B. No. 1161**

The purpose of this bill is to provide a timely exchange of information with regard to domestic abuse cases by requiring the Department of Human Services (DHS) to provide an oral or written report to the Family Court on a disposition of a referral and requiring the Family Court, when possible, to notify parties at least two days prior to the hearing date.

The Legal Aid Society of Hawaii testified in support of this bill. DHS supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, 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 Cabanilla and Mizuno.

**SCRep. 1234 Human Services & Housing on S.B. No. 1163**

The purpose of this bill is to assist foster youth in their transition toward independence by requiring foster youth 14 years of age or older who are in permanent custody or foster custody to participate in an age appropriate independent living program.

The Legal Aid Society of Hawaii testified in support of this bill. The Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Adding provisions allowing certain children to attend all permanent plan review hearings and requiring that notice of the hearings be served to the children in a timely manner; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1163, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Mizuno.

**SCRep. 1235 Human Services & Housing on S.B. No. 248**

The purpose of this bill is to support the role of fathers by:

- (1) Appropriating funds for the State Commission on Fatherhood (Commission) to hire an executive director and staff; and
- (2) Extending the life of the Commission to June 30, 2009.

Oahu VOICES supported this bill with amendments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 248, 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 Cabanilla, Mizuno and Tokioka.

**SCRep. 1236 Human Services & Housing on S.B. No. 249**

The purpose of this bill is to support the role of fathers by making permanent the Commission on Fatherhood.

Oahu VOICES supported this bill with an amendment.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 249 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, Mizuno and Tokioka.

**SCRep. 1237 Human Services & Housing on S.B. No. 1101**

The purpose of this bill is to support services to homeless children by:

- (1) Establishing a task force to coordinate public and private resources to benefit homeless children; and
- (2) Establishing the Kokua Na Keiki Special Fund to provide grants to innovative programs that benefit or help coordinate services for homeless children.

The Department of Education, Catholic Charities Hawaii, Hawaii Family Forum, and Roman Catholic Church in the State of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1101, 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 Cabanilla and Mizuno.

**SCRep. 1238 Human Services & Housing on S.B. No. 1203**

The purpose of this bill is to test the feasibility of allowing recipients of Medicaid personal care services or home- and community-based services to:

- (1) Receive a flexible monthly allowance; and
- (2) Decide on the services they want to receive and who should provide these services,

by directing the Department of Human Services (DHS) to establish a "cash and counseling" pilot program. This bill also appropriates funds to develop and implement this program.

DHS supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203 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 and Mizuno.

**SCRep. 1239 Human Services & Housing on S.B. No. 1210**

The purpose of this bill is to assist Hawaii's growing elderly population by increasing the amount of authorized special purpose revenue bonds from \$80,000,000 to \$160,000,000, and extending the lapse date of the bonds to June 30, 2011, for purposes of building a senior citizen lifecare retirement community.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1210, 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 and Mizuno.

**SCRep. 1240 Health on S.B. No. 810**

The purpose of this bill is to appropriate funds to establish a totally integrated community on the state-owned Waimano ridge lands.

Specifically, this bill appropriates funds for the:

- (1) Payment of the Waimano ridge task force's operating expenses for fiscal biennium 2007-2009;
- (2) Development of an updated comprehensive master plan for the Waimano ridge area; and
- (3) Establishment of a permanent full-time Waimano ridge facilities manager.

In addition, the bill authorizes the issuance of general obligation bonds for building demolition and facility and water system improvements for Waimano ridge land projects.

The Pearl City Community Association and three members of the Pearl City Neighborhood Board submitted testimony in support of the measure. The Department of Health submitted comments on the measure.

Your Committee finds that it has long been the State's intent to realize a totally integrated community on the Waimano ridge lands pursuant to a master plan, but that intent was never implemented because of an economic downturn. Appropriating funds to update the Waimano ridge master plan and to create one permanent, full-time Waimano ridge facilities manager position will do a great deal to achieve the goal of creating a totally integrated and community friendly environment in the Waimano ridge area.

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. 810, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 1241 Health/Transportation on S.B. No. 1804**

The purpose of this measure is to establish additional funding resources for the trauma system special fund to ensure the continued viability of trauma centers in the State.

Specifically, the measure:

- (1) Establishes surcharges for traffic violations, violations that result in accidents involving death or bodily injury, and other various criminal convictions related to violence and drug use;
- (2) Clarifies that the trauma system special fund consists of, but is not limited to, trauma system surcharges and cigarette tax revenues;
- (3) Requires the Department of Health to establish a methodology to calculate costs incurred by hospitals providing care to trauma patients based on physician on-call coverage, equipment, and the creation of overflow capacity; and
- (4) Makes appropriations to and out of the trauma system special fund.

Your Committees received testimony in support of this measure from the Queen's Medical Center. The Department of Health submitted comments on this measure.

Your Committees find that trauma care is a public health priority. A statewide trauma system that is publicly supported can reduce death and disability from injuries and improve the health and welfare of Hawaii residents. Your Committees further find that the financial pressure on hospitals that provide trauma services, often without compensation, is exacerbated by the high cost of providing care to trauma patients, who are often in critical condition and require extensive support. Accordingly, your Committees find that increasing the sources of revenue for the trauma system special fund is necessary to ensure the viability of the State's trauma system.

Your Committees, however, believe that a report from the Auditor, pursuant to section 23-11, Hawaii Revised Statutes, may be necessary before further action can be taken on this measure.

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. 1804, 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 Cabanilla, McKelvey, Sonson, Takamine and Pine.

**SCRep. 1242 Health/Human Services & Housing on S.B. No. 68**

The purpose of this bill is to promote choice and autonomy for our elderly population who reside in assisted living facilities (ALFs) by modifying existing laws governing the occupancy criteria of ALFs in the state.

The Maui Long Term Care Partnership and Department of Human Services supported this bill. The Department of Health opposed this measure.

Your Committees have amended this bill by:

- (1) Clarifying that ALFs must provide:
  - (A) Necessary assistance for residents to reach a point of safety;
  - (B) Routine fire drills and record keeping to demonstrate each facility's evacuation capability;
  - (C) Evacuation and fire safety training for staff and residents;
  - (D) Reports to fire safety and facility licensing agencies of all fires and other emergency incidents; and
  - (E) Established points of safety in and around the facility;
- (2) Broadening the language describing the type of fire safety equipment ALFs must provide to add flexibility and constant compliance in the face of regularly changing local fire codes; 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 & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 68, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 68, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Rhoads and Takai.

**SCRep. 1243 Economic Development & Business Concerns on S.B. No. 17**

The purpose of this bill is to make government contracting less burdensome for small design professional firms by prohibiting government contracts under \$5,000,000 for design professional services from requiring that the contractor defend the government against any liability, while reserving the government's right to contractually require indemnification for any liability resulting from the contractor's negligence.

The American Institute of Architects, Masa Fujioka & Associates, American Society of Civil Engineers, SSFM International, Inc., Gray, Hong, Nojima & Associates, Coalition of Hawaii Engineering and Architectural Professionals, Engineering Solutions, Inc., Fukunaga & Associates, Inc., and several concerned individuals supported this bill. KAI Hawaii, Inc., supported the measure with an amendment. The Department of the Corporation Counsel of the City and County of Honolulu and Department of the Attorney General opposed this bill.

Your Committee finds that requiring design professionals to defend the government against any liability, regardless of the professional's negligence, not only makes it very difficult for small firms to enter into government contracts, but also unfairly shifts the risk of public works projects to the private contractor.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 17, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

**SCRep. 1244 Economic Development & Business Concerns on S.B. No. 709**

The purpose of this bill is to establish a sound basis for setting policies and goals, and tracking progress toward diversification of Hawaii's economy by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to collect, analyze, and disseminate economic data on Hawaii's growth industries, and appropriating funds for this purpose.

DBEDT testified in support of this measure.

This bill seeks to provide the State with the information it needs to better manage its resources. Your Committee accordingly has concerns about and will be looking further into the two additional positions requested by DBEDT, since DBEDT stated that it currently has four vacancies that it has been unable to fill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1245 Human Services & Housing/Health on S.B. No. 1673**

The purpose of this bill is to improve access to medications for persons who are diagnosed with HIV/AIDS or Hepatitis C or who require immunosuppressive medications due to organ transplants by expanding access to immunosuppressant medications for such Medicaid patients regardless of whether they are in the Medicaid Fee-For-Service or QUEST programs.

The Department of Human Services and Hawaii Disability Rights Center supported this bill. The Hawaii Association of Health Plans opposed this measure. The Hawaii Medical Service Association submitted comments.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1673, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 1246 Human Services & Housing/Health on S.B. No. 1678**

The purpose of this bill is to provide adequate reimbursement to health care providers in Hawaii.

Specifically, this measure requires that, beginning on January 1, 2008, each:

- (1) Participating medical services provider within the network of a mutual benefit society;
- (2) Licensed hospital or nursing facility, excluding emergency room services; and
- (3) Health maintenance organization,

shall be reimbursed for the provision of medical services on all medicare codes to patients, regardless of whether a patient is a participant in a medicaid program, at a rate not less than one hundred per cent of the medicare reimbursement amount that is in effect for the current year and updated for each calendar year thereafter. This bill also provides a mechanism for annual adjustment of rates for inflation and requires the Department of Human Services to report annually to the Legislature regarding adjustments to rates under the medicaid fee schedule. Finally, this bill appropriates an unspecified amount to the Department of Human Services to cover increases in reimbursement payments and takes effect on July 1, 2007.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation, Hawaii Pacific Health, Hawaii Medical Association, Healthcare Association of Hawaii, The Chamber of Commerce of Hawaii, and the Occupational Therapy Association of Hawaii. The Department of Human Services, Department of Commerce and Consumer Affairs, and Hawaii Medical Services Association offered comments.

Upon further consideration, your Committees have amended this bill as follows:

- (1) In section 5, by:
  - (A) Clarifying that those who receive rates of payment based on the Hawaii medicaid fee schedule include "providers" and not "individuals";
  - (B) Clarifying that amounts paid shall only be amounts that equal one hundred per cent of the medicare fee schedule for the current year, and by deleting alternate amounts that do not exceed the maximum permitted to be paid to individual practitioners under:
    - (i) Federal law and regulation;
    - (ii) The state limits as provided in the appropriations act; or

- (iii) The provider's billed amount;
  - (C) Deleting the qualification that the national index for providers of medical care is the one applying to "individual practitioners", for the purposes of determining the inflation factor; and
  - (D) Adding a provision that section 346-59(b), Hawaii Revised Statutes, relating to rates of payment, shall not apply to QUEST medical plans; and
- (2) In section 6, by clarifying that the unspecified amounts appropriated represent the State's share of funding.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1678, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1678, 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 Cabanilla.

**SCRep. 1247 Legislative Management on S.B. No. 1928**

The purpose of this bill is to provide for an independent investigative arm in state government by:

- (1) Requiring the Auditor to establish an investigative unit to scrutinize alleged or suspected government waste, fraud, abuse, nonfeasance, or malfeasance; and
- (2) Appropriating unspecified funds for this purpose.

Under this bill, investigations can only be initiated by:

- (1) An act or concurrent resolution;
- (2) A request from a standing committee chair of either the Senate or the House of Representatives (House) with the concurrence of the appropriate presiding officer; or
- (3) The Auditor with the concurrence of the Senate President or House Speaker.

The Auditor testified in support of this bill.

Your Committee finds that section 21E-4, Hawaii Revised Statutes, relating to the powers and duties of the joint legislative management committee, requires that investigations by the Auditor be by direction of both houses of the Legislature. Accordingly, your Committee has amended this bill to conform it to these provisions by requiring that an investigation be initiated:

- (1) By the Auditor; or
- (2) By a request from a standing committee chair,

with the concurrence of both the Senate President and the House Speaker.

Your Committee has further amended this bill by:

- (1) Incorporating the provisions of S.B. No. 844, which appropriates unspecified funds to the Auditor for the development of the Hawaii 2050 Sustainability Plan; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1928, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1928, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1248 Energy & Environmental Protection on S.B. No. 642**

The purpose of this measure is to require a supplemental environmental impact statement following the acceptance of a final environmental impact statement if:

- (1) Substantial changes are proposed in the action;
- (2) Substantial changes occur with respect to circumstances under which an action is being undertaken; or
- (3) New information becomes available.

Your Committee has received testimony in support of this measure from the Department of Health, Office of Environmental Quality Control; Office of Hawaiian Affairs; Oahu County Committee, Democratic Party of Hawaii; Kuliouou/Kalani Iki Neighborhood Board #2; Na Leo Pohai, the Public Policy Affiliate of the Outdoor Circle; Sierra Club, Hawaii Chapter; Keep the North Shore Country; and four individuals, including a former member of the State Environmental Council. Testimony offering comments was received from the State Environmental Council; University of Hawaii at Manoa, Environmental Center; and Hawaii Audubon Society. The Attorney General, Land Use Research Foundation, and Kuilima Resort Company submitted testimony in opposition to this measure and the Office of the Corporation Counsel, County of Hawaii, and Department of Planning and Permitting, City and County of Honolulu, expressed significant concerns with this measure.

Your Committee finds that supplemental environmental impact statements are a valuable and oftentimes necessary tool to accomplish the proper informed decision-making purposes of chapter 343, Hawaii Revised Statutes. Therefore, the trigger for a supplemental environmental impact statement should be stated in statute rather than left solely within the administrative rules that were promulgated under the broad authorization that currently exists for rulemaking under chapter 343, Hawaii Revised Statutes. Accordingly, this measure outlines, strengthens, and clarifies when there is a need for a supplemental environmental impact statement. While your Committee has considered in previous hearings whether an environmental impact should have a "shelf" life, your Committee finds that the selection of any time period would be arbitrary. Your Committee believes that, rather than imposing a specific time period, a supplemental environmental impact statement should be required when there are substantive changes or impacts that would affect the purposes of chapter 343, Hawaii Revised Statutes, that is, the informed decision-making process.

Your Committee further finds that the issue may not be the need for a "shelf" life for an environmental impact statement but rather an expiration period for a zoning change or other land use permit for the proposed action. It may be necessary for county and state agencies to consider a "use it or lose it" approach to ensure that, when an action is proposed and permitted, it is done in a timely manner to better understand the cumulative effects of the build-out on the affected areas.

Your Committee has amended this measure by:

- (1) Clarifying that supplemental environmental impact statements will be required when new or different environmental impacts are anticipated;
- (2) Adding as another reason for requiring a supplemental environmental impact statement the determination not to implement any mitigative measures that were originally planned;
- (3) Defining "new information" to mean facts and data received after the acceptance of the final environmental impact statement that would materially impact the analysis of environmental, social, cultural, or economic issues relevant to the proposed action; and
- (4) Making technical nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 642, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 642, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1249 Human Services & Housing/Health on S.B. No. 1672**

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by:

- (1) Establishing a process by which Medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation; and
- (2) Retroactively adjusting for inflation, payments made to providers of hospital outpatient services and other individual providers to account for the lack of a rate increase for the past five years.

The Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Hawaii Primary Care Association, Hawaii Medical Association, Hawaii Chapter of American Physical Therapy Association, Chamber of Commerce of Hawaii, and Kaiser Permanente. Hawaii Pacific Health supported this measure with amendments. The Hawaii Medical Service Association supported the intent of this bill. The Department of Human Services opposed this measure.

Your Committees have amended this bill by:

- (1) Setting the Medicaid fee schedule for health care provider payments at 100 percent of the Medicare fee schedule for the current year;
- (2) Providing an exemption from the adjusted rate payments for QUEST medical plans;
- (3) Inserting an appropriation of \$9,800,000 to adjust for inflation payments made to Medicaid fee-for-service providers during fiscal biennium 2005-2007;
- (4) Deleting retroactive payments for Medicaid fee-for-service providers for fiscal year 2001-2002 and fiscal biennium 2003-2005;
- (5) Appropriating \$8,800,000 for fiscal biennium 2007-2009 to increase the Medicaid fee schedule;
- (6) Inserting an appropriation of \$8,000,000 for the state portion of the Medicaid federal disproportionate share hospital allowance;
- (7) Changing the effective date to July 1, 2007; and
- (8) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1672, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1672, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 1250 Labor & Public Employment on S.B. No. 957**

The purpose of this bill is to enhance the enforcement of Hawaii's prevailing wage law by ensuring that a violation of Hawaii's prevailing wage law (Chapter 104, Hawaii Revised Statutes (HRS)) arises with each separate project in which the Department of Labor and Industrial Relations (DLIR) finds that a contractor has failed to comply with the law.

The Hawaii State AFL-CIO, Hawaii Iron Workers Local Union 625, Stabilization Fund, International Union of Elevator Constructors, Local 126, Laborers' Union Local 368, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. DLIR, A-1 A-Lectrician, Inc., Building Industry Association of Hawaii, Hawaiian Dredging and Construction Company, Healy Tibbits Builders, Inc., H L & L, LLC, Kaikor Construction Company, Inc., King and Neel, Inc., Koga Engineering & Construction, Inc., MEI Corporation, Nordic Construction, Ltd., Ralph S. Inouye Company, Ltd., Royal Contracting Company, Ltd., S & M Sakamoto, Inc., T. Iida Contracting, Ltd., Willocks Construction Corporation, General Contractors Association of Hawaii, and Rons Construction Corporation testified in opposition to this measure.

Under current law, a contractor found to be in violation of Chapter 104, HRS, is considered to have committed only one violation of the law, although multiple violations may be occurring or recurring simultaneously on multiple public work projects performed by the same contractor. The lengthy process for conducting and completing investigations of possible violations is also problematic, often resulting in contractors not being properly sanctioned or restricted from obtaining contracts for additional public works projects.

Your Committee finds that this measure will prevent contractors who continually violate the law on multiple occasions and on multiple public works projects from circumventing the law, gaining an unfair advantage over complying contractors, and preventing workers from being paid fair wages.



However, your Committee understands the concerns raised by the Director of Labor and Industrial Relations that any violation, regardless of severity or the willfulness of the contractor in committing the violation, will be counted as a separate violation under this bill and have the unintended consequence of punishing employers for honest, unintentional errors.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2009, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 957, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 957, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 1251 Labor & Public Employment on S.B. No. 1060**

The purpose of this bill is to protect the welfare of injured workers by allowing injured workers to receive compensation and medical services designed to mitigate injuries and rehabilitate the injured worker. Among other things, this bill:

- (1) Limits an employer's ability to terminate disability benefits;
- (2) Authorizes the recovery of attorney's fees and costs incurred by the injured employee in the enforcement of workers' compensation laws;
- (3) Specifies procedures for medical examinations conducted by an employer's physician;
- (4) Requires the reporting of the denial of workers' compensation claims and other relevant information; and
- (5) Further restricts the rulemaking authority of the Director of Labor and Industrial Relations.

ILWU Local 142, Hawaii Teamsters and Allied Workers, Local 996, UNITE HERE! Local 5, Hawaii State AFL-CIO, Hawaii State Teachers Association, Hawaii Government Employees Association, American Physical Therapy Association-Hawaii Chapter, Hawaii Rehabilitation Counseling Association, Occupational Therapy Association of Hawaii, Sestak Rehabilitation Services, Case Management Works, Inc., and numerous individuals testified in support of this bill. The Hawaii State Chiropractic Association, ProActive Chiropractic, LLC, and several chiropractors testified in support of the intent of this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, Department of Human Resources of the City & County of Honolulu, Department of Human Resources of the County of Hawaii, Hawaii Employers' Mutual Insurance Company, Hawaii Insurers Council, Academy of Independent Medical Examiners Hawaii, Property Casualty Insurers Association of America, The Chamber of Commerce of Hawaii, Hawaii Island Chamber of Commerce, Kauai Chamber of Commerce, Hawaiian Dredging and Construction Company, Healy Tibbits Builders, Inc., H L & L, LLC, Kaikor Construction Company, Inc., Ralph S. Inouye Company, Ltd., Royal Contracting Company, Ltd., S & M Sakamoto, Inc., T. Iida Contracting, Ltd., General Contractors Association of Hawaii, Hawaii Medical Association, Terrace Pacific Insurance, Ltd., Society for Human Resource Management, Little Hawaii Car Rental Company, Markstein Leasing, LLC, Retail Merchants of Hawaii, and several individuals testified in opposition to this measure. The Department of the Attorney General opposed this bill in part. Work\*Star Occupational Health Systems submitted comments.

The workers' compensation law was established as a "no-fault" law to provide an injured worker the medical treatment necessary to allow the worker to return to work. In return, the injured worker gave up the right to sue the employer. This system appeared to be a "win-win" situation for both the employer and employee—the employee got necessary treatment while the employer would, in time, be able to employ a productive worker. However, over the years, this process has become more adversarial in nature to the detriment of both employers and employees.

Your Committee finds that the workers' compensation issue is a complex one in which the needs of employers and employees must be balanced. Your Committee also understands the numerous concerns raised by several testifiers regarding this measure. Accordingly, your Committee has amended this measure by deleting its contents and replacing it with language contained in H.B. No. 763, H.D. 2, that among other things:

- (1) Allows for alternative dispute resolution for workers' compensation claims,
- (2) Establishes criteria for the use of optional evidence-based guidelines for treatment and for the denial and dispute processes;
- (3) Exempts individuals holding ownership of at least 50 percent in an employing unit, including corporations, partnerships, limited liability partnerships, and sole proprietorships from workers' compensation requirements if the individual chooses to be excluded, provided that the exclusion shall be irrevocable for five years;
- (4) Exempts service performed by a partner for the partnership, a partner of a limited liability partnership, and sole proprietor for the sole proprietorship from workers' compensation requirements;
- (5) Prevents essential medical services from being discontinued in the event of a dispute, until the Director of Labor (Director) renders a decision on whether medical treatment should be continued;
- (6) Allows for the recovery of costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer by an employer or employer's insurer in the event unwarranted medical treatment was provided;
- (7) Allows injured workers to be referred for vocational rehabilitation where the employee has achieved maximum medical improvement and the employer has made no offer of permanent suitable work;
- (8) Allows for requests for hearings by employees and employers;
- (9) Provides for reimbursement of medical treatment expenses which should have been denied;
- (10) Limits the rulemaking powers of the Director;
- (11) Establishes requirements and standards for independent medical examiners to perform independent medical exams;
- (12) Clarifies authorization for claims for attorney's services; and
- (13) Requires the submission of annual reports by workers' compensation insurers to the Director of the Department of Commerce and Consumer Affairs and the Insurance Commissioner.

Your Committee has also amended this bill by:

- (1) Changing its effective date to July 1, 2059, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1060, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives McKelvey and Pine. (Representative Takamine voted no.)

**SCRep. 1252 Health on S.B. No. 1421**

The purpose of this measure is to add a variety of new provisions to the licensing statute for doctors of osteopathy to provide for greater uniformity in licensing doctors of medicine and doctors of osteopathy.

Specifically, these new provisions involve educational teaching licenses, training replacement temporary licenses, duty to report wounds, postmortem examination consent, intentional termination of pregnancy, exemptions to licensure, limited and temporary licenses, continuing education, licensing examinations, and license censures and conditions.

Your Committee received testimony in support of this measure from the Board of Medical Examiners and the Hawaii Medical Association.

Your Committee finds that the Board of Medical Examiners regulates both doctors of medicine and doctors of osteopathy but under separate statutes. Your Committee finds that both types of doctors are similar in many respects and the approach to their regulation should be as uniform and consistent as possible. This measure will supplement the existing licensing statute for doctors of osteopathy by adding provisions presently found only in the licensing statute for doctors of medicine.

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. 1421, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 1253 Energy & Environmental Protection on S.B. No. 1948**

The purpose of this measure is to extend from June 30, 2007, to June 30, 2011, the lapse date for the authorization to issue special purpose revenue bonds to assist Hui 'Enekinia Hawai'i, an industrial enterprise.

Your Committee received testimony in support of the measure from Hui 'Enekinia Hawai'i.

Your Committee finds that special purpose revenue bonds to assist Hui 'Enekinia Hawai'i were originally authorized in 1993. The lapse date for the authorization of those bonds was originally established as June 30, 1998. The lapse date was subsequently extended to June 30, 1998, and later to June 30, 2007.

Your Committee also finds that Hui 'Enekinia Hawai'i remains engaged in the development of a cogeneration facility project that will sell electric energy to electric utilities that serve the public. It also plans to sell thermal fluids that it produces to existing and planned manufacturing and processing entrepreneurs in the area.

Your Committee further finds that it is in the public interest to encourage the development of such cogeneration facilities. However, your Committee is concerned that the extension of authority to issue special purpose revenue bonds proposed by this measure would be the third granted to this project. Your Committee urges the Committees on Economic Development and Business Concerns and Finance to closely examine whether the extension is appropriate under the circumstances.

Your Committee has made a conforming amendment to Act 263, Session Laws of Hawaii 1993, to also extend to June 30, 2011, the date subsequent to which the Department of Budget and Finance is authorized to issue refunding special purpose revenue bonds.

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. 1948, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1948, S.D. 1, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1254 Energy & Environmental Protection on S.B. No. 1702**

The purpose of this bill is to make changes to improve the deposit beverage container program.

Specifically, this bill:

- (1) Changes the exemption for dealers to redeem empty beverage containers as follows:
  - (A) Eliminates the exemption for dealers located in:
    - (i) High density population areas within two miles of certified redemption centers operated independently of a dealer; or
    - (ii) Rural areas;
  - (B) Clarifies the exemption for a dealer who subcontracts with a certified redemption center by allowing the exemption if:
    - (i) The center is to be operated within one thousand feet of the dealer's premises; or
    - (ii) Dealers in the same shopping center share a coordinated redemption center within the shopping center's premises; and
  - (C) Changes the maximum ceiling for interior square footage of exempt businesses from "five thousand" to "ten thousand";
- (2) Requires redemption centers in high density populations to remain open at least thirty-five hours per week, including at least five hours on the weekends;
- (3) Allows consumers to request the refund value to be computed by container count for loads less than two hundred containers;

- (4) Clarifies that reverse vending machines used by redemption centers and dealers to satisfy the redemption requirements must be properly operated and maintained; provided that the reverse vending machine is operational and accessible during normal business hours of the center or store where it is located; and
- (5) Clarifies that dealers, as well as redemption centers, may refuse to pay the refund on certain non-conforming containers.

Your Committee received testimony in support of this measure from the Sierra Club. Testimony in opposition to this measure was received from the Department of Health, ABC Stores, Safeway, Inc., Reynolds Recycling, Retail Merchants of Hawaii, Legislative Information Services of Hawaii, Hawaii Food Industry Association, Longs Drug Stores, Goodwill Industries of Hawaii, and Windward Ahupua'a Alliance. Comments on this measure were received from the University of Hawaii Environmental Center.

Your Committee finds that the deposit beverage container program is necessary to help preserve Hawaii's natural environment and reduce the amount of waste flowing into the State's landfills. Your Committee further finds that the success of the program may be continued with changes that improve accessibility to consumers.

Accordingly, your Committee has amended this measure, by:

- (1) Removing the provision in section 1 that exempts a retailer that contracts for a redemption center to be operated within one thousand feet of the premises;
- (2) Increasing the size of the retailers exempted from section 342G-113(a), Hawaii Revised Statutes, from "ten thousand" to "seventy-five thousand" square feet; and
- (3) Deleting section 2 of this measure and renumbering remaining sections consecutively because the amendments found in this section are addressed in Senate Bill No. 1026, H.D. 1.

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. 1702, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1702, S.D. 2, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1255 Tourism & Culture on S.B. No. 1712**

The purpose of this bill is to protect the health and safety of those participating in mixed martial arts contests by:

- (1) Establishing a regulatory program that gives the Director of the Department of Commerce and Consumer Affairs (DCCA) jurisdiction over mixed martial arts contests held in the state; and
- (2) Prohibiting no rules combat, extreme or ultimate fighting, or similar contests.

The Auditor supported this bill. DCCA supported this bill with amendments.

Your Committee has amended this measure by, among other things:

- (1) Defining "mixed martial arts event" or "events" to mean one or more mixed martial arts contests held at the same location on the same date;
- (2) Replacing references to "mixed martial arts contests" or "contests" with "mixed martial arts events" or "events" where appropriate;
- (3) Narrowing the definition of "mixed martial arts contest" or "contest" by specifying that the term does not include an amateur mixed martial arts contest;
- (4) Clarifying that the Director of DCCA may adopt rules pertaining to:
  - (A) Criteria for a mandatory neurological and eye examination of any mixed martial arts contestant; and
  - (B) Criteria for, and duration of, an automatic medical suspension from mixed martial arts contests;
- (5) Authorizing, instead of requiring, the Director of DCCA to either establish a mixed martial arts registry or data bank or use an established registry or databank approved by the Director, and issue license cards to mixed martial arts contestants;
- (6) Specifying that the medical report of a medical examination required from each mixed martial arts contestant prior to a mixed martial arts contest be at the sole expense of the promoter;
- (7) Prohibiting the issuance of a promoter's license to an applicant if the applicant's directors have been convicted of any gambling-related crime or a crime directly related to the sport of mixed martial arts;
- (8) Broadening the definition of "no rules combat, extreme or ultimate fighting, or similar contest" by making the definition applicable to contestants who do not receive money or other compensation;
- (9) Clarifying that an applicant for a referee, judge, manager, or second license shall take and pass an examination or evaluation as provided by the Director of DCCA;
- (10) Removing the requirement that the examination required of an applicant for a referee, judge, manager, or second license be written;
- (11) Specifying that the Director of DCCA may exempt an applicant for a referee or judge license from taking the examination or evaluation if the applicant holds a valid, comparable license in another jurisdiction;
- (12) Changing the expiration date of licenses to June 30 of each odd-numbered year;
- (13) Clarifying that whenever any licensed promoter fails to comply with the requirements of the Mixed Martial Arts Contests Law, the Director of DCCA may examine the books and records of the promoter;

- (14) Extending the requirement for a mandatory medical examination following a knockdown or severe injury to any other reason as provided by rule;
- (15) Specifying that the appropriation for operational and administrative expenses incurred in regulating mixed martial arts includes funding to hire a regulatory boards/commissions administrative assistant, secretary, and clerks;
- (16) Repealing the provisions of this bill on June 30, 2010;
- (17) Requiring the Auditor to evaluate the provisions of this bill and submit an evaluation report to the Legislature prior to the convening of the Regular Session of 2010;
- (18) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (19) 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. 1712, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1712, 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 Berg, Herkes, Wakai and Ching.

**SCRep. 1256 Economic Development & Business Concerns/Higher Education on S.B. No. 1365**

The purpose of this bill is to increase the levels of capital available to fuel the innovation sector of Hawaii's economy by:

- (1) Requiring the Board of the Employees' Retirement System (ERS) to allocate a certain percentage of funds to, and to consider Hawaii venture capital investments if it is prudent to do so; and
- (2) Appropriating funds for a joint venture between a private entity and the University of Hawaii (UH) Office of Technology Transfer and Economic Development (OTTED) to increase the commercialization of UH discoveries.

The Department of Business, Economic Development, and Tourism (DBEDT), OTTED, Hawaii Science and Technology Council, Hawaii Strategic Development Corporation, High Technology Development Corporation, Global Brain, Inc., SEE/RESCUE Corporation, International Venture Fund, Vantage Counsel LLC, AssistGuide, Inc., Oceanit, and several concerned individuals supported this bill. UH and Hoana Medical, Inc., supported this bill in part. The ERS Board of Trustees and Department of Budget and Finance provided comments.

A stronger mandate is needed if the ERS is to place funds in Hawaii venture capital investments and similar private placements. This bill has been amended to require that as of January 1, 2008, when ERS considers any new out-of-state private placements, ERS must determine whether any available Hawaii private placements are of equal risk and return and give preference to the Hawaii investments. In addition, ERS investments in Hawaii private placements have been capped at three percent of system funds.

Your Committees have also amended this bill by designating OTT instead of DBEDT as the agency expending the appropriation for the joint venture between OTT and a private entity. Your Committees are concerned about the ambiguity of the language that would guide expenditures, and respectfully request the Committees on Labor and Finance to which this bill is referred, to look into tightening up that language.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1365, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1365, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Herkes, Manahan, Saiki, Shimabukuro, Takai, Takamine and Takumi.

**SCRep. 1257 Economic Development & Business Concerns on S.B. No. 1840**

The purpose of this bill is to take steps toward becoming a member state under the Streamlined Sales and Use Tax Agreement (Agreement), that simplifies state sales and use tax laws and is intended to capture taxes on sales by out-of-state vendors. This bill:

- (1) Amends Hawaii tax laws to comply with the prerequisites for state membership under the Agreement;
- (2) Appropriates unspecified funds to the Auditor for technical assistance and briefings related to further compliance with those prerequisites; and
- (3) Establishes a committee of legislative and public members and the Director of Taxation, to assist the state to comply with those prerequisites.

The Hawaii Association of REALTORS, Hawaii State Teachers Association, and Retail Merchants of Hawaii supported this bill. The Department of Taxation, NFIB Hawaii, and Tax Foundation of Hawaii commented.

The 2005-2007 Tax Review Commission recommended that Hawaii remain involved in discussions on the Streamlined Sales Tax Project (Project) but recommended against making a formal commitment at this time. This was based on estimates that the costs of the Project would exceed revenues, and because the states with the largest economies have not joined the Project, jeopardizing its ability to effectively collect the use tax.

Your Committee finds that a formal assessment of the start-up and recurring costs and benefits of this Project is warranted before Hawaii overhauls its tax laws and commits its resources. Further, if a cost-benefit analysis supports Hawaii's commitment, a schedule for implementing the Agreement is needed that is designed to maximize the benefits and minimize the risks and costs to Hawaii. This schedule should recognize that the Project is still in its formative stages, and should take into account the number and economies of states that have become Project members.

Accordingly, your Committee has amended this bill by:

- (1) Requiring the Auditor to perform a study to be submitted to the 2008 Legislature, including:
  - (A) The costs and benefits of implementing the Agreement in Hawaii;
  - (B) Recommendations on the advisability of committing to the Agreement; and
  - (C) A recommended schedule for implementation of the Agreement that maximizes benefits and minimizes risks and costs to Hawaii;

- (2) Delaying the date on which the Tax Code is amended by this measure, from July 1, 2009, to July 1, 2012; and
- (3) Changing the date on which the remainder of the bill becomes effective to July 1, 2034.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1840, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1840, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Berg, Herkes, Manahan and Ching.

**SCRep. 1258 Economic Development & Business Concerns on S.B. No. 1034**

The purpose of this bill is to keep Hawaii's inter-island airline industry healthy and competitive by exempting the fuel sold to common carriers for intrastate air transportation from the general excise and use taxes.

The Department of Business, Economic Development, and Tourism (DBEDT), Department of Taxation, Hawaiian Airlines, Aloha Airlines, Chamber of Commerce of Hawaii, March of Dimes, Aloha Airlines Pilots' Union, International Association of Machinists and Aerospace Workers District 141, and Transport Workers Union submitted testimony supporting this bill. The Hawaii Fueling Facilities Corporation and Tax Foundation of Hawaii commented.

Your Committee finds that this bill raises a number of unresolved issues, the primary being whether federal law preempts Hawaii's imposition of the general excise and use taxes on fuel sold from a foreign-trade zone for use by airlines traveling between the islands. Another, is the large disparity in estimates as to the revenue loss under this bill.

Your Committee notes that DBEDT will be requesting an opinion by the Attorney General on the first issue. Additional information on aviation fuel sales has been provided in testimony that hopefully will allow cost estimates to be firmed up, and give the Committee on Finance a clearer view of the budgetary impact of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1034, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Berg, Herkes, Manahan and Ching.

**SCRep. 1259 Agriculture/Energy & Environmental Protection on S.B. No. 1066**

The purpose of this bill is to provide dedicated funding for pest inspection and treatment by:

- (1) Requiring the Department of Agriculture (DOA) to collect fees or charges for invasive species pest inspection and quarantine treatment services from any person who imports any article or packing material described under section 150A-5, Hawaii Revised Statutes (HRS); and
- (2) Establishing the Pest Inspection and Quarantine Treatment Services Fund.

The Mayor of Maui County, three members of the Maui County Council, Sierra Club, Hawaii Chapter, Conservation Council for Hawaii, The Nature Conservancy of Hawaii, Hawaii Forest Industry Association, Hawaii Audubon Society, and the Maui Invasive Species Committee supported this bill. DOA supported this bill with amendments. The Department of Land and Natural Resources supported the intent of this measure. The Chamber of Commerce of Hawaii, Horizon Lines, LLC, Alexander & Baldwin, Inc., and Matson Navigation Company, Inc., opposed this bill. Several concerned individuals submitted comments.

Your Committees have amended this measure by deleting its contents and inserting the contents of House Bill No. 772, H.D. 2, with additional revisions. As amended, this bill:

- (1) Requires DOA to collect service fees or charges for pest inspection, quarantine, and eradication services from any importer of commercial shipments, as defined by rule and subject to the provisions of section 150A-5 and chapter 141, HRS;
- (2) Establishes the Pest Inspection, Quarantine, and Eradication Fund (Fund) to be used for the operation of inspection and monitoring programs, related facilities, and the execution of emergency remedial measures when pests are detected;
- (3) Includes, in the list of funding sources for the Fund, grants and gifts, interest earned from moneys in the Fund, and any other moneys made available to the Fund; and
- (4) Appropriates an unspecified amount of funds out of the Fund to be used for the purposes of the Fund.

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. 1066, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1066, S.D. 2, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Chang, Ito, Saiki, Ching and Thielen.

**SCRep. 1260 Health/Human Services & Housing on S.B. No. 1115**

The purpose of this measure is to provide perinatal care.

Specifically, this bill will continue the funding appropriated last year for a pilot perinatal clinic and case management in collaboration with the University of Hawaii John A. Burns Medical School to help women with a history of substance abuse.

The Drug Policy Forum of Hawaii, Hawaii Medical Association, Hawaii Section of the American College of Obstetricians and Gynecologists, and two concerned individuals submitted testimony in support of this measure. The Department of Human Services and the University of Hawaii John A. Burns School of Medicine submitted comments on this measure.

Your Committees find that providing perinatal care to pregnant women with a history of substance abuse is vital to ensure the health of the child and the mother. Your Committees further find that this measure will prove cost-effective as it will prevent birth defects, promote child health, and encourage families to stay together.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1115, 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 Representative Cabanilla.

**SCRep. 1261 Health on S.B. No. 12**

The purpose of this bill is to promote fair and equitable health insurance rates by:

- (1) Prohibiting health insurance rates that are excessive, inadequate, or unfairly discriminatory; and
- (2) Requiring health care insurers to submit rate filings for approval by the Insurance Commissioner (Commissioner).

The Hawaii State Teachers Association, ILWU Local 142, Hawaii Association of Realtors, and several concerned individuals supported this bill. The Kokua Council supported this measure with amendments. The Hawaii Government Employees Association supported the intent of this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Services Association, and Kaiser Permanente opposed this measure.

Your Committee has amended this bill by, among other things:

- (1) Removing provisions that require rates to be in accordance with actuarial principles and supported by adequate rating information;
- (2) Requiring managed care plans (MPC) to provide the Commissioner with supporting information and supplementary rating information necessary to calculate the investment income and accuracy of loss reserves upon which proposed rate filings are based;
- (3) Allowing the Commissioner a maximum of 105 days for the consideration of a MPC's filing;
- (4) Deleting provisions that require the Commissioner to send written notice of disapproval of a rate filing to a MPC within 30 days;
- (5) Requiring all MPCs to file initial rates within 30 days of this law taking effect and allowing the initial rates to remain in effect until disapproved by the Commissioner within a reasonable amount of time;
- (6) Removing provisions exempting third party administrative services and prepaid dental and vision insurance offered by the MPCs and disability insurers;
- (7) Requiring MPCs whose current net worth exceed 30 percent of its annual total expenses to reimburse the excess funds to subscribers, enrollees, or customers;
- (8) Requiring that plan revisions that affect rates shall not be used unless approved by the Commissioner;
- (9) Removing provisions requiring the Commissioner to specify in a written notice of disapproval to the MPC the actuarial, statutory, and regulatory basis for disapproval, including a detailed explanation of the application that resulted in the disapproval;
- (10) Deleting provisions requiring the Commissioner to specify interim rates of the MPC that are no less than the median between the existing rate and the disapproved rate and once a rate is approved, allowing the MPC to exact a surcharge on premiums retroactive to the time when the interim rate was first imposed;
- (11) Requiring a MPC to charge the lower of their established rates or the filed rates during a time when the Commissioner's disapproval of a filing is being challenged;
- (12) Deleting requirements for the Commissioner to specify in a written notice, the specific, factual, and legal grounds to support findings of a MPC being noncompliant;
- (13) Deleting the requirement that the Commissioner provide written notice of a filing's noncompliance within 30 days after a hearing;
- (14) Authorizing the Commissioner to order that a portion of a MPC's premiums be placed in an escrow account during a contested case hearing on rates;
- (15) Removing provisions placing the burden of proof on the aggrieved party that a MPC's filing failed to meet rate making requirements;
- (16) Requiring the Commissioner to hold a hearing within 30 days after receipt of a MPC's request for a hearing challenging a Commissioner's order and provide not less than seven working days written notice of the hearing time and location;
- (17) Removing the general excise tax exemption from nonprofit MPCs that fail to provide reimbursements when current net worth exceeds 30 percent of its annual total expenses;
- (18) Changing the effective date to July 1, 2007; and
- (19) 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. 12, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 12, 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 Cabanilla.

**SCRep. 1262 Health on S.B. No. 1636**

The purpose of this bill is to promote drug-free workplaces by allowing tests used for forensic testing as a workplace testing device and approved by the Director of Health to be administered for pre-employment drug testing. This bill also provides for:

- (1) The use of screening tests as directed by the United States Food and Drug Administration (FDA) package insert or in its absence, the insert provided by the FDA approved facility that manufactured the screening test;
- (2) Employers to test employment applicants;
- (3) Unions to test members; and

- (4) Manufacturers to apply to the Department of Health (DOH) for interim approval while seeking FDA approval.

Emerald Bay Consulting, LLC; Nordic Construction, Ltd.; Hawaiian Dredging Construction Company, Inc.; Branan Medical Corporation; Pacific Resource Partnership; Kapolei Property Development, LLC; General Contractors Association of Hawaii; Hawaii Carpenters Union, Local 745; Hidano Construction, Inc.; S&M Sakamoto, Inc.; Waiawa Ridge Development, LLC; Ralph S. Inouye Co., Ltd.; Castle & Cook Homes Hawaii, Inc.; and Building Industry Association of Hawaii supported this bill. Straub Doctors on Call supported the intent of this measure. DOH opposed this bill. Diagnostic Laboratory Services, Inc., submitted comments.

Your Committee finds that the health, safety, and welfare of Hawaii's workforce is of great importance. Accurate, properly regulated drug testing is essential to upholding high standards of safety in the workplace. It is also important that we explore more efficient methods, both in time and economic value, of providing drug testing. However, until proper rules and regulations governing the application of and setting proper standards for such drug testing are implemented, there will be a great number of problems in this area.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Inserting a sunset date of January 1, 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. 1636, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1636, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

**SCRep. 1263 Higher Education on S.B. No. 1922**

The purpose of this bill to lay the foundation for economic diversification through initiatives aimed at supporting creative media in Hawaii. Specifically, this bill:

- (1) Creates financial incentives for and appropriates monies to the Academy for Creative Media at the University of Hawaii (UH) at Manoa for the development, planning, design, and construction of a permanent facility at UH and for equipping that facility;
- (2) Establishes and funds a local incubator facility to develop Hawaii's digital media infrastructure for film and television productions and interactive game development; and
- (3) Establishes and funds the Music and Enterprise Learning Experience Program at UH - Honolulu Community College to develop the artistic, technical, and business skills required by Hawaii's artists and music industry.

Honolulu Community College, Tropical Music, Inc., the Hawaii Academy of Recording Arts, Global Brain, Inc., TCR Productions, KUD International LLC, faculty of the Searider Productions Integrated Journalism and Digital Media Education Program at Waianae High School, Mountain Apple Company, and numerous individuals and students testified in support of this bill. The Department of Business, Economic Development, and Tourism, Department of Taxation, UH-Manoa, the Academy for Creative Media at UH, Aloha Agency, and several concerned individuals 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. 1922, S.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Economic Development & Business Concerns and Tourism & Culture.

Signed by all members of the Committee except Representatives Takamine, Wakai, Ching and Finnegan.

**SCRep. 1264 Public Safety & Military Affairs on S.B. No. 1484**

The purpose of this bill is to help provide financial compensation for crime victims by authorizing the Department of Public Safety to garnish inmate wages to pay court ordered crime victim compensation fees.

The Crime Victim Compensation Commission and the Department of the Prosecuting Attorney of the City and County of Honolulu supported this bill. The Office of the Public Defender opposed this measure.

Your Committee finds that many violent crime victims and surviving family members of victims of violent crime would be unable to afford the medical, rehabilitative, or mental health treatment they need to recover from the crime if crime victim compensation were not available. This bill provides victims with some form of relief from the harm inflicted upon them.

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. 1484 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, McKelvey, Nishimoto, Takamine, Takumi and Finnegan.

**SCRep. 1265 Public Safety & Military Affairs on S.B. No. 959**

The purpose of this bill is to decrease the backlog of our warrant system by appropriating funds:

- (1) To establish an automated and centralized warrant management system by the Judiciary and the Department of Public Safety that can be accessed by all law enforcement personnel; and
- (2) For additional sheriff positions and vehicles to be dedicated exclusively to the service and execution of warrants.

The Department of the Prosecuting Attorney of the City and County of Honolulu supported this bill. The Judiciary supported the intent of this measure. The Department of Public Safety opposed this bill.

Your Committee has amended this bill by charging the Hawaii Criminal Justice Data Center of the Department of the Attorney General with establishing the centralized warrant management system.

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. 959, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 959, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, McKelvey, Nishimoto, Takamine, Takumi and Finnegan.

**SCRep. 1266 Public Safety & Military Affairs on S.B. No. 1491**

The purpose of this bill is to strengthen enforcement of Hawaii's drug laws by authorizing the use of the Controlled Substance Registration Revolving Fund to:

- (1) Offset the cost of investigating violations of the Uniform Controlled Substances Act; and
- (2) Fund the Narcotics Enforcement Division's forensic drug laboratory facility.

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

Your Committee has amended this bill by:

- (1) Conforming Hawaii's controlled substance schedules to changes made in federal law as mandated by sections 329-11 and 329-61, Hawaii Revised Statutes, by inserting the provisions of S.B. No. 1487, S.D. 1; and
- (2) Making technical, nonsubstantive amendments to correct drafting errors and for consistency.

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. 1491, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1491, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, McKelvey, Nishimoto, Takamine, Takumi and Finnegan.

**SCRep. 1267 Human Services & Housing on S.B. No. 1184**

The purpose of this bill is to protect certain "vulnerable adults" from abuse and financial and economic exploitation by strengthening and clarifying the laws on adult protective services.

The Healthcare Association of Hawaii (HAH), Catholic Charities Hawaii, Hawaii Chapter of the National Association of Social Workers, AARP Hawaii, Kokua Council, Disability and Communication Access Board, and several concerned individuals testified in support of this bill. The Christian Science Committee on Publication for Hawaii offered amendments. The Department of Human Services (DHS) opposed this bill.

Your Committee recognizes that abuse and economic and financial exploitation are rising especially among those who are unable to protect themselves.

DHS noted that the anticipated costs of this measure will be \$1,944,968 for staff salaries and \$596,725 for other start-up costs for the six months prior to the effective date of the bill, and \$3,889,935 for staff salaries and \$543,399 for contracted services and other direct service costs for fiscal year 2008-2009 and every year thereafter.

HAH suggested that the government agency reporting requirement for the adult protection law could be streamlined by creating one report, instead of three. Your Committee agrees with this recommendation and strongly urges the appropriate agencies to collaborate and develop a single reporting form prior to the convening of the Regular Session of 2008.

Your Committee has amended this bill by:

- (1) Exempting religious or spiritual practices of the vulnerable adult as a sole basis for abuse;
- (2) Exempting confidential clergy communications from the reporting requirements of abuse; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1184, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Mizuno.

**SCRep. 1268 Human Services & Housing on S.B. No. 1779**

The purpose of this bill is to ensure the safety and well-being of Hawaii's children by establishing a two-year statewide task force to review, assess, and make recommendations on the State's system responses to cases of sexual crimes committed against and by children.

The Department of Human Services, Honolulu Police Department, Friends of the Children's Justice Center of Maui, Inc., Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Child and Family Service, and Sex Abuse Treatment Center testified in support of this bill. The Department of Education and Children's Justice Center supported the intent of this measure.

Your Committee recognizes that Hawaii's children must be protected from many forms of abuse and exploitation and must be nurtured in the most stable environment available. Thus, it is also important to address the needs of children by improving the law as it pertains to permanent guardianship of children who fall under the provisions of the Child Protective Act.

Accordingly, your Committee has amended this bill by:

- (1) Inserting the provisions of H.B. No. 1357, H.D. 1, which allow the Family Court to pursue the option of legal guardianship for a child in appropriate cases; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1779, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1269 Human Services & Housing on S.B. No. 1925**



The purpose of this bill is to establish a process by which developers of residential communities may elect to develop sustainable communities in the State. This measure also provides incentives for developers to develop sustainable communities.

The Office of Hawaiian Affairs, PAHIO Development, Inc., and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. The Office of Planning and Hawaii Association of REALTORS supported the intent of this measure. The Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Chapter of the Sierra Club, and Life of the Land opposed this bill. The Department of Health, Land Use Research Foundation of Hawaii, and Windward Ahupua'a Alliance provided comments.

Your Committee recognizes the concerns of those who opposed this measure, including the additional responsibilities and cost implications for DBEDT and possible conflicts with DOH's existing solid waste processes. The Hawaii Chapter of the Sierra Club and Life of the Land also expressed concerns regarding the automatic approval of permits and that specific details need to be provided with regard to affordable housing units.

Accordingly, your Committee has amended this bill by:

- (1) Specifying that affordable housing units be owner-occupied;
- (2) Specifying that affordable housing units be affordable to households at or below 140 percent of the area median income;
- (3) Adding an appropriation to DBEDT for purposes of this measure; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1925, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1925, S.D. 2, H.D. 1, and be referred to the Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Energy & Environmental Protection.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1270 Human Services & Housing on S.B. No. 1448**

The purpose of this bill is to attract and retain qualified executives to lead the Hawaii Public Housing Authority (HPHA) by authorizing the Board of Directors of the HPHA to set the salaries of the Executive Director and the Executive Assistant without regard to the salary of the Director of Human Resources Development, subject to the approval of the Governor.

The HPHA and the Department of Human Resources Development testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1448 and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1271 Human Services & Housing on S.B. No. 1400**

The purpose of this bill is to protect elders from financial abuse by requiring financial institutions to report suspected financial abuse toward an elder to a local law enforcement agency or the Department of Human Services (DHS). This bill also provides protection for the good faith reporting of suspected financial abuse from criminal or civil liability.

The Department of Commerce and Consumer Affairs, DHS, Hawaii Bankers Association, Hawaii Financial Services Association, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying that the reporting to DHS required of suspected financial abuse is limited to financial abuse of elders considered "dependent adults" as defined in Chapter 346, part X, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee respectfully requests the Committee on Consumer Protection and Commerce to determine to which financial institutions the provisions of this bill should be applicable. Your Committee requests the opinion of the Attorney General on this matter. The intent of your Committee is to have the provisions of this bill that protect elders apply to all financial institutions in the state not preempted by federal law.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1400, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1400, 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 Bertram.

**SCRep. 1272 Human Services & Housing on S.B. No. 1962**

The purpose of this bill is to increase fire safety by providing a tax deduction to owner-occupants for the installation of an automatic fire sprinkler system in a residential or mixed-use condominium constructed before December 31, 1975.

The Department of Taxation (DOTAX) opposed this bill. The Tax Foundation of Hawaii provided comments.

DOTAX noted several concerns, including that owner-occupants may take advantage of the deduction simply by living in the unit for a short period of time and that the definition of "qualifying costs" should be more specific. DOTAX also expressed concerns of possible collusion to inflate costs so a greater deduction can be claimed.

The Tax Foundation of Hawaii expressed concerns that there is no relationship between the cost of automatic fire sprinkler systems and a taxpayer's tax burden.

Accordingly, your Committee has amended this bill by:

- (1) Allowing renters to claim the deduction;
- (2) Requiring owner-occupants to occupy the unit for a minimum time period to be eligible for the deduction; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1962, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1962, 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 Bertram.

**SCRep. 1273 Education/Labor & Public Employment on S.B. No. 96**

The purpose of this bill is to ensure the safety and welfare of children enrolled in the public school system and users of the public library system by:

- (1) Providing for a program of controlled substance testing based on reasonable suspicion of Department of Education (DOE) employees, including teacher trainees and Hawaii State Public Library System employees, who work in close proximity to children, as follows:
  - (A) Requiring DOE to develop procedures for controlled substance testing;
  - (B) Requiring the employer to place employees who refuse the test on administrative leave for 30 days;
  - (C) Authorizing the employer to impose certain sanctions on employees whose test results are positive and who, as a result of their use of controlled substances, negatively influence children; and
  - (D) Requiring DOE to provide for substance abuse assessment, treatment, and counseling, and referral to the employee assistance program, if DOE retains an employee whose test results are positive;
- (2) Expanding the category of individuals subject to criminal history record checks as a condition of DOE employment by authorizing DOE to conduct criminal history record checks on any employee, provider, subcontractor, or trainee from an institution of higher education who enters or intends to enter into a contract with or is currently contracted by DOE to provide services in close proximity to children;
- (3) Authorizing DOE to pass on the cost of a criminal history record check to the individuals subject to the checks; and
- (4) Appropriating funds to DOE for the costs of conducting criminal history record checks.

DOE and the University of Hawaii supported the intent of this bill. The American Civil Liberties Union of Hawaii, Drug Policy Action Group, and Drug Policy Forum of Hawaii opposed this measure. The Governor's Policy Office, Hawaii Association of Independent Schools, and Hawaii State Teachers Association offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 96, S.D. 3, and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Luke, McKelvey, Souki and Meyer. (Representative Bertram voted no.)

**SCRep. 1274 Education/Higher Education on S.B. No. 1932**

The purpose of this bill is to ensure a clean and safe environment for Hawaii's students by:

- (1) Appropriating moneys from the general fund and the State Educational Facilities Special Fund to reduce the backlog of repair and maintenance projects for Department of Education (DOE) school facilities;
- (2) Appropriating general funds and authorizing the issuance of general obligation bonds to reduce the backlog of repair and maintenance projects for University of Hawaii facilities; and
- (3) Requiring DOE to identify suitable unused facilities and prepare them for use by early childhood education programs, and appropriating funds for this purpose.

The University of Hawaii, Hawaii State Teachers Association, Kamehameha Schools, Good Beginnings Alliance, and a concerned individual testified in support of this bill. DOE offered comments.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1932, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Human Services & Housing.

Signed by all members of the Committee except Representatives Takamine, Wakai, Ching and Finnegan.

**SCRep. 1275 Education/Higher Education on S.B. No. 1931**

The purpose of this bill is to ensure the availability of a qualified workforce in Hawaii by:

- (1) Establishing and appropriating funds for the Educational Workforce Working Group (Working Group) under the Department of Business, Economic Development, and Tourism (DBEDT), to examine and address workforce and workforce-related education issues;
- (2) Requiring the Department of Education to include in its strategic plan, plans for workforce-related needs;
- (3) Requiring the University of Hawaii (UH) to submit a report to the Legislature on its workforce development efforts; and
- (4) Appropriating funds for positions to assist DOE with its workforce development efforts.

UH testified in support of this bill. DBEDT offered comments.

Your Committees have amended this bill by:

- (1) Changing the membership of the Working Group to a total of twelve members, as follows:
  - (A) Removing the two representatives appointed by the President of the Senate;

- (B) Removing the two representatives appointed by the Speaker of the House of Representatives;
  - (C) Replacing all the members representing UH and its community colleges with two representatives from the UH system, including its community colleges; provided that at least one represents a Neighbor Island campus;
  - (D) Replacing all the members who are principals and the vice principal with two high school principals appointed by the Superintendent of Education; provided that at least one is a Neighbor Island high school principal;
  - (E) Adding the Chairperson of the Board of Education or the Chairperson's designee; and
  - (F) Adding the Superintendent of Education, or the Superintendent's designee;
- and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1931, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1931, S.D. 2, H.D. 1, and be referred to the Committees on Labor & Public Employment and Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Takamine, Wakai, Ching and Finnegan.

**SCRep. 1276 Education/Higher Education on S.B. No. 1933**

The purpose of this bill is to improve public education in the state by:

- (1) Enhancing academic and fiscal accountability in the Department of Education (DOE);
- (2) Improving education and workforce development by establishing and appropriating funds for an Applied Learning High School Academy Program;
- (3) Providing for various teacher preparation, professional development, research, and assistance programs;
- (4) Improving early childhood education through teacher professional development and assistance, by encouraging collaboration between state-funded programs and private providers, improving access by special education students to early childhood education programs, and identifying unused public school land or facilities for use by early childhood education programs; and
- (5) Improving the academic achievement of students in mathematics and science.

The Department of Business, Economic Development, and Tourism, State Council on Development Disabilities, University of Hawaii (UH), UH College of Education Faculty Senate, UH College of Engineering, Center on Disability Studies, Kamehameha Schools, Good Beginnings Alliance, and many concerned individuals testified in support of this bill. The Early Learning Educational Task Force, Hawaii Government Employees Association, and Hawaii State Teachers Association supported the intent of this measure. The Governor supported the bill in part. DOE offered comments.

Because many of the initiatives included in this bill are incorporated in other bills that are moving through the legislative process, your Committees have amended this bill by deleting most of the language in the bill, except:

- (1) Part III, which relates to the various teacher preparation, professional development, research, and assistance programs; and
- (2) Part V, which relates to improving the academic achievement of students in mathematics and science.

Your Committees have amended the remaining language by:

- (1) Deleting the provisions establishing and appropriating funds for the Research Experiences for Teachers Program;
- (2) Deleting the provisions establishing and appropriating funds for a professional development program to provide science and mathematics teachers with opportunities to increase their knowledge and understanding of recent developments in science, technology, engineering, and mathematics;
- (3) In regards to the Hawaii Educator Loan Program, clarifying that ten percent of the total amount of the loan and interest shall be waived for every year of the first five years that a loan recipient teaches in a Hawaii public school in a hard-to-fill position; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1933, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1933, S.D. 2, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Takamine, Wakai, Ching and Finnegan.

**SCRep. 1277 Education on S.B. No. 696**

The purpose of this bill is to establish a process for determining and assessing school impact fees for financing new or expanding existing public schools or facilities when new residential subdivisions are planned.

The Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Education supported the intent of this measure. The Hawaii Leeward Planning Conference offered comments.

Your Committee has amended this bill by, among other things:

- (1) Clarifying that developers are only required to provide some of the land for new schools and a portion, rather than a specific percentage, of the cost of building new classrooms needed to serve new residential development;
- (2) Deleting the specification that a greenfield school impact district be a formerly agricultural area;

- (3) Clarifying that the analysis done prior to the designation of a greenfield school impact district to identify the percentages of existing student enrollment located in permanent and portable buildings, is to target immediately adjacent rather than surrounding high school complexes;
- (4) Clarifying that prior to the designation of a non-greenfield school impact district:
  - (A) The analysis to consider the need to construct or expand school facilities in the area need not cover the next 25 years; and
  - (B) The analysis to be done need not include a calculation of the current level of educational service in the area;
- (5) Clarifying that prior to the designation of a greenfield or non-greenfield school impact district, the analysis to be done to support appropriate student generation rates be by school level only, and not housing type;
- (6) Specifying that the development of condominium property regimes may be subject to the requirement to dedicate land, or pay a fee in lieu, for a new school facility;
- (7) Deleting the stipulation that land proposed to be dedicated for a school site be usable by DOE for that purpose, and instead requiring that the land meet the requirements of DOE and DLNR;
- (8) Requiring that at least every three years, DOE update the student generation rates for housing within the school impact fee district;
- (9) Changing the formula used to calculate the school impact fee per dwelling unit for single-family detached and multi-family housing in each designated school impact district;
- (10) Deleting the condition that fees in lieu of:
  - (A) School land dedication collected within each school impact district be spent only for the acquisition of school sites; and
  - (B) School impact fees collected within each school impact district be spent only for the expansion of existing schools or construction of new schools;
- (11) Deleting the condition that if the land dedicated by the developer for school facilities is sold, the proceeds be used to acquire land for school facilities in the same school impact district;
- (12) Removing the specification that fees in lieu and impact fees be expended or encumbered within 20 years of the date of collection;
- (13) Requiring that if private construction of school facilities is proposed by a developer and the value of the proposed construction exceeds the total impact fees that would be due from the development, DOE shall execute with the developer an agreement to provide reimbursement for the excess construction costs, rather than for the excess credit from the impact fees collected from other developers within the same benefit district;
- (14) Changing the effective date to upon approval; and
- (15) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 696, S.D. 2, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Cabanilla and Ching.

**SCRep. 1278 Education on S.B. No. 885**

The purpose of this bill is to expand the scope of the Agriculture Education Program in the public schools and establish the Agricultural and Culinary Education Program to grow a qualified workforce for the agriculture, culinary arts, and related industries, teach students healthy eating habits, and address Hawaii's long-term food sustainability needs.

The Department of Agriculture (DOA), University of Hawaii (UH), Workforce Development Council, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Maui County Farm Bureau, Hawaii Farm Bureau Federation, Hawaii State Teachers Association, and Landscape Industry Council of Hawaii testified in support of this bill. DOE supported the intent of this measure.

Your Committee notes that DOE has already established an advisory board and task force for the Natural Resources Pathway, which would duplicate, and fragment, the efforts of the advisory task force included in the bill. The existing advisory board and task force also has representation from DOA, the UH College of Tropical Agriculture and Human Resources, and experts in the field of agriculture and natural resources, the same representatives mentioned in the bill. Therefore, your Committee has amended this bill by deleting language regarding the advisory task force.

This bill has been further amended by:

- (1) Stipulating that the director of the Agriculture Education Program (director) shall evaluate existing programs as well as design complementary programs;
- (2) Clarifying that the director is to ensure that the standards and criteria developed satisfy the mandates of federally-assisted career and technical education; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, including clarifying the purpose language of the bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 885, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 885, S.D. 2, H.D. 1, and be referred to the Committees on Agriculture and Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Cabanilla and Ching.

**SCRep. 1279 Health/Human Services & Housing on S.B. No. 1916**

The purpose of this bill is to strengthen support of family caregiving by:

- (1) Extending the life of the joint legislative committee on family caregiving (joint committee);
- (2) Providing a broader definition of "family caregiver";
- (3) Authorizing the joint committee to explore establishing a paid family leave program under the state temporary disability insurance law;
- (4) Requiring the Executive Office on Aging to conduct a comprehensive assessment of care recipients' needs and the needs of their family caregivers;
- (5) Appropriating funds to expand the Kupuna Care Program's in-home and access services for qualified care recipients; and
- (6) Appropriating funds to expand services to family caregivers who often need assistance, education, and support to continue to care for their loved ones at home.

The Department of Community Services of the City and County of Honolulu, Catholic Charities Hawaii, Office of Aging of the County of Hawaii, Occupational Therapy Association of Hawaii, Kokua Council, AARP Hawaii, Hawaii State Teachers Association – Retired, Hawaii Alliance for Retired Americans, Hawaii Aging Advocates Coalition, Kilohana Senior Enrichment Center, Policy Advisory Board for Elder Affairs, National Multiple Sclerosis Society, and ILWU Local 142 supported this bill. The Department of Health submitted comments.

Your Committees have amended this bill by:

- (1) Inserting an appropriation for the Executive Office on Aging to conduct an assessment of the issues facing, and the needs of, grandparents raising grandchildren in Hawaii;
- (2) Expanding the definition of "family caregivers" to include those persons caring for a person 18 years-of-age or older with physical or cognitive disabilities;
- (3) Directing that funds for the Executive Office on Aging be for:
  - (A) Expansion of the Kupuna Care Program's in-home and access services to qualified care recipients; and
  - (B) Direct services to family caregivers;
 and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1916, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1916, S.D. 2, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Mizuno, Takai and Awana.

**SCRep. 1280 Consumer Protection & Commerce on S.B. No. 1008**

The purpose of this bill is to enhance the regulation of annuity sales by establishing standards and procedures for insurers and insurance producers making recommendations to consumers regarding the purchase or exchange of annuities.

The American Council of Life Insurers and National Association of Insurance and Financial Advisors – Hawaii testified in support of this bill. The Insurance Division and Business Registration Division of the Department of Commerce and Consumer Affairs opposed this measure.

Your Committee finds that annuities can be an important source of retirement income, and consumers should therefore be afforded a clear understanding of the features, options, and costs of annuities to ensure that these products meet their specific financial situations. This bill would help protect consumers of these products by requiring insurers and insurance producers to have reasonable grounds for believing that a recommendation for the purchase or exchange of an annuity is suitable for the consumer based upon financial information the consumer provides.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon this bill's approval; 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. 1008, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1008, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Green, Luke and Thielen.

**SCRep. 1281 Energy & Environmental Protection/Economic Development & Business Concerns on S.B. No. 994**

The purpose of this measure is to enable seawater air conditioning district cooling systems to qualify for the tax credits and exemptions of being a qualified business in a state enterprise zone.

Specifically, this measure redefines "qualified business" (under the enterprise zone law) to include a business engaged in producing air conditioning from a seawater air conditioning district cooling system.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development, and Tourism, Hawaii Renewable Energy Alliance, the Hawaii Energy Policy Forum, Honolulu Seawater Air Conditioning, LLC, and the Hawaii Science and Technology Council. Comments were received from the Department of Taxation, the Environmental Center of the University of Hawaii at Manoa, and the Tax Foundation.

Your Committee finds that this measure promotes the development of alternative energy systems and thereby enables the State to lessen its dependency on fossil fuel.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 994, 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, Saiki and Thielen.

**SCRep. 1282 Consumer Protection & Commerce on S.B. No. 60**

The purpose of this bill is to clarify the law on foreign time share plans by:

- (1) Requiring contracts to purchase an interest in a foreign time share plan that has been exempted from Hawaii law, and all promotional materials used in connection with such sales, to include a disclosure that the operation of the plan is not subject to nor protected by Hawaii law; and
- (2) Providing that failure by a developer to abide by the terms of the exemption will result in the loss of the exemption.

The Department of Commerce and Consumer Affairs and Marriott International, Inc., testified in support of this bill.

Section 514E-5.5, Hawaii Revised Statutes (HRS), allows foreign time share plans to be exempted from Hawaii law. As a result, contracts for the sale of an exempted foreign time share plan, along with promotional materials used in such sales, must disclose that the offer or purchase of the plan is exempt from Hawaii law. Your Committee finds that this bill carries out the original intent of section 514E-5.5, HRS, by requiring the disclosures to also state that the operation of these foreign time share plans likewise falls under the exemption.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 60, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Green, Luke and Thielen.

**SCRep. 1283 Consumer Protection & Commerce on S.B. No. 921**

The purpose of this bill is to improve consumer access to information by requiring reasonable fees to be charged for copies of condominium association records. Specifically, this bill limits the charges for copying association records to \$1 per page, including administrative and duplicating costs.

The Hawaii Independent Condominium and Cooperative Owners testified in support of this bill. The Hawaii Legislative Action Committee of the Community Associations Institute supported the intent of this measure.

Your Committee finds that while condominium owners currently have the right to obtain copies of condominium association records, some associations charge exorbitant fees that may discourage owners from requesting records. This bill seeks to ensure affordable access to these records.

Your Committee has amended this measure by:

- (1) Providing that the \$1-per-page limit for copying condominium association records does not apply to pages exceeding eight and one-half inches by fourteen inches; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, 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, Green, Luke and Thielen.

**SCRep. 1284 Health on S.B. No. 704**

The purpose of this measure is to make a technical amendment to the general excise tax law to provide tax preferences to trusts with sole beneficiaries who are blind, deaf, or totally disabled.

Specifically, this measure extends to a trust with a sole beneficiary who is blind, deaf, or totally disabled an exemption from the general excise tax on the first \$2,000 in gross income that is otherwise applicable to businesses owned by persons who are blind, deaf, or totally disabled.

This measure also assesses a general excise tax rate of one-half of one per cent in such business trusts.

Your Committee received oral testimony in support of this measure from a concerned individual. Comments on the measure were received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure extends the same tax preferences to trusts where the sole beneficiary is blind, deaf, or totally disabled as granted to other business organizations run by persons who are blind, deaf, or totally disabled, including sole proprietorships (individuals), corporations, partnerships, and limited liability companies.

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. 704 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 and Takai.

**SCRep. 1285 Health on S.B. No. 952**

The purpose of this bill is to enable Kahuku Hospital to continue its operations in order to serve the residents and visitors of the north shore of Oahu.

Specifically, this measure authorizes the Hawaii Health Systems Corporation to acquire Kahuku Hospital. Under this measure:

- (1) None of the liabilities of Kahuku Hospital will become liabilities of the Hawaii Health Systems Corporation;
- (2) The Hawaii Health Systems Corporation, at its discretion, may retain any or all medical and nonmedical employees of Kahuku Hospital and may adjust the levels of services provided by Kahuku Hospital; and
- (3) Kahuku hospital will be exempt from the laws governing:

- (A) Public agency meetings;
- (B) Concessions on public property;
- (C) Tax clearances for contractors; and
- (D) Purchases of goods and services by, or on behalf of, Kahuku hospital.

This measure also appropriates an unspecified amount.

Your Committee received testimony in support of this bill from the Department of Health, the Hawaii Medical Association, the Healthcare Association of Hawaii, Leahi Hospital, UPW/AFSCME, and twenty-eight individuals. Testimony in opposition was received from the State Procurement Office.

Your Committee finds that this measure will enable Kahuku Hospital to continue its operations, preserve its hospital license, retain its certificate of need and critical access hospital designation, reorganize, and settle its debts.

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. 952, 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 Cabanilla and Takai.

**SCRep. 1286 Health on S.B. No. 971**

The purpose of the bill is to ensure the existence of well-equipped healthcare facilities for Hawaii's residents.

The bill accomplishes this objective by extending the Department of Budget and Finance's authority to issue special purpose revenue bonds to assist The Queen's Health Systems in financing the construction, improvements, and equipment of healthcare facilities.

The Queen's Health Systems and the Health Association of Hawaii submitted comments in support of the bill.

Your Committee finds that currently the authority to issue special purpose revenue bonds to assist The Queen's Health Systems to finance the costs of construction, improvements, and equipment of health care facilities and enhance patient care by providing high quality health care services to the people of Hawaii will lapse on June 30, 2008.

Your Committee finds that extending the authority of the Department of Budget and Finance to issue special purpose revenue bonds to assist The Queen's Health Systems from June 30, 2008, until June 30, 2013, will enable The Queen's Health Systems to continue offering high quality healthcare.

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. 971, 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 and Takai.

**SCRep. 1287 Health on S.B. No. 1282**

The purpose of this bill is to address the critical shortage of mobile intensive care technicians and paramedics in Hawaii. The bill accomplishes this purpose by establishing the emergency medical technician training stipend program so that ten students per year may attend a state-qualified mobile intensive care technician training program. The bill also appropriates an unspecified amount for the program.

Testimony in support of this measure was submitted by the Kauai County Subarea Health Planning Council, the Maui County Paramedics Association, a facilitator for the Maui Emergency Medical Service Advisory Committee, seven students who are enrolled in the class of 2008 mobile intensive care technician training program, and two emergency medical technicians.

The Department of Health submitted comments.

Your Committee finds that there is a critical shortage of mobile intensive care technicians and paramedics, as well as a lack of sufficient training and training resources for emergency medical technicians, especially on the neighbor islands.

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. 1282, 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 Cabanilla and Takai.

**SCRep. 1288 Human Services & Housing on S.B. No. 1106**

The purpose of this bill is to enable the Hawaii State Commission on the Status of Women to serve effectively as a catalyst for positive change through advocacy, education, collaboration, and program development. This bill appropriates unspecified sums for programming, travel, and office expenses.

The Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Kokua Council, Hawaii Women Work!, Oahu Chapter of VOICES, Community Alliance on Prisons, and a concerned individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1289 Human Services & Housing on S.B. No. 1442**

The purpose of this bill is to encourage former foster youth to pursue post-secondary education by expanding opportunities for higher education board allowances. This bill:

- (1) Increases the time limit to apply for these allowances from one year following high school graduation to the end of the age of twenty-one;
- (2) Increases the maximum age to take advantage of the allowances from twenty-one years of age to twenty-six years of age;

- (3) Sets the maximum benefit period at sixty months; and
- (4) Appropriates unspecified funds for this purpose.

The Department of Human Services, Hawaii Youth Services Network, Hawaii Foster Youth Coalition and its Maui Chapter, Hawaii Family Forum, Hawaii Catholic Conference, Legal Aid Society of Hawaii, and many concerned individuals testified in support of this bill. Hawaii Foster Parent Association supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1442, 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 Bertram.

**SCRep. 1290 Human Services & Housing on S.B. No. 1103**

The purpose of this bill is to ensure the long-term availability of affordable rental housing in downtown Honolulu by appropriating funds to acquire the 857-unit Kukui Gardens apartment complex.

Two members of the Honolulu City Council, EAH Housing, Hawaii Family Forum, Hawaii Catholic Conference, Faith in Action for Community Equity, and several concerned individuals testified in support of this bill. The Hawaii Housing Finance and Development Corporation offered comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1103, 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 Bertram.

**SCRep. 1291 Human Services & Housing on S.B. No. 823**

The purpose of this bill is to expand the use of special purpose revenue bonds (SPRBs) to include the infrastructure costs of low- and moderate-income housing projects.

The Governor's Policy Office and Kauai Board of Water Supply testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure.

Your Committee notes that the Governor submitted a proposal to exempt low- and moderate-income housing projects developed using SPRBs from the procurement code, and respectfully requests the Committee on Finance to review the proposal and determine whether it should be included in 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Mizuno.

**SCRep. 1292 Human Services & Housing on S.B. No. 1017**

The purpose of this bill is to remove a provision that limited the use of funds appropriated for fiscal year 2006-2007 as a grant-in-aid to the Hawaii Habitat for Humanity Association only to homes built on leased state lands.

Hawaii Habitat for Humanity testified in support of this bill. The Hawaii Housing Finance and Development Corporation provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to specify that it applies retroactively 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1017, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1017, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1293 Human Services & Housing on S.B. No. 1450**

The purpose of this bill is to expand participation in the State Rent Supplement Program (Program) by removing the \$160 per month cap on payments, expanding the income limits, and allowing certain individuals living in transitional shelters to be qualified tenants.

The Hawaii Public Housing Authority, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and Catholic Charities Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the provision allowing certain individuals living in transitional shelters to be qualified tenants;
- (2) Allowing individuals and families living in transitional shelters, who are homeless or on the public housing or Section 8 wait lists, to qualify for the Program wait list;
- (3) Capping the income limit for Program eligibility at 70 percent of the area median income;
- (4) Changing the effective date to January 1, 2020, to encourage further discussion; and



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

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1450, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1450, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1294 Human Services & Housing on S.B. No. 1441**

The purpose of this bill is to ensure the safety of children in various types of child care settings by requiring child abuse and neglect registry checks of:

- (1) Prospective adoptive parents and all adults residing in prospective adoptive homes;
- (2) All adults residing in foster boarding homes as a condition for a certificate of approval; and
- (3) All operators and employees of child care institutions and child placing organizations.

This bill also requires criminal history record checks of all adults residing in foster and adoptive homes.

The Department of Human Services testified in support of this bill.

These checks will help to determine the suitability of adults before a decision is made to approve a foster or adoptive home, thereby ensuring that children are placed in a safe and appropriate setting.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1441, 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 Bertram.

**SCRep. 1295 Human Services & Housing on S.B. No. 1444**

The purpose of this bill is to clarify the goals of the Hawaii Youth Correctional Facilities (HYCF) to focus on rehabilitation and reentry services.

The Office of Youth Services, Attorney General, Hawaii Youth Services Network, Community Alliance on Prisons, and American Civil Liberties Union of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Making a corresponding amendment to the law pertaining to the family courts by changing the term "incarceration" to "custody"; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1444, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1444, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1296 Human Services & Housing on S.B. No. 1350**

The purpose of this bill is to allow the Hawaii Housing Finance and Development Corporation (HHFDC) to waive its shared appreciation equity and ten-year buyback restriction requirements for sustainable affordable leasehold projects and for immediate family members of the purchaser who would otherwise qualify under HHFDC's administrative rules.

Hawaii Reserves, Inc., testified in support of this bill. HHFDC supported this measure with amendments.

HHFDC stated that the provisions waiving the shared appreciation equity and ten-year buyback restriction requirements for the sale or transfer of real property to certain immediate family members is unnecessary and could be burdensome to administer.

Accordingly, your Committee has amended this bill by:

- (1) Removing the provisions relating to the sale or transfer of real property to certain immediate family members; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

**SCRep. 1297 Health/Human Services & Housing on S.B. No. 979**

The purpose of this measure is to preserve and protect the lives of children and young adults by establishing a youth suicide early intervention and prevention program for Hawaii.

Your Committees received testimony in support of this measure from the Superintendent of Education, the Hawaii Psychological Association, the Hawaii Suicide Prevention Steering Committee and Task Force, and two concerned citizens.

Your Committees find that someone commits suicide in Hawaii every three days for an average annual total of one hundred twenty-eight. Suicide claims the lives of more children and young adults than cancer, heart disease, AIDS, birth defects, stroke, and chronic lung disease combined. Suicide exacts a horrific toll on surviving family members and the larger community.

Your Committees also find that the costs of suicide are not limited to those associated with completed suicides. Each year in Hawaii, eight hundred seventy people are hospitalized in connection with attempted suicide at a direct cost to the community of \$12,300,000. Those numbers may grow, with Hawaii having the highest percentage of youth in the nation who report having made a plan to commit suicide.

Your Committees further find that persons most likely to kill themselves have preexisting mental health or substance abuse problems or have recently suffered stressful events in their lives. Early intervention and prevention programs can identify people at risk and help provide them with the coping skills necessary to deal with these issues.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 979, 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 and Takai.

**SCRep. 1298 Health/Human Services & Housing on S.B. No. 1170**

The purpose of this measure is to appropriate or authorize temporary assistance for needy families funds for the healthy start program, including enhanced healthy start.

Specifically, these additional funds will address budget shortfalls and implement recommended program improvements for the healthy start program, such as hiring a child development or clinical specialist and training providers.

Testimony in support of this measure was received from Parents and Children Together, the Good Beginnings Alliance, the Hawaii Early Intervention Coordinating Council, and the Hawaii Down Syndrome Congress. The Department of Health and the Department of Human Services submitted comments on this measure.

Your Committees find that the healthy start program and the enhanced healthy start program have been important resources for Hawaii's families by providing voluntary home visits to promote healthy child development and by providing services to families at risk for abuse and neglect. Your Committees further find that the appropriation made by this measure will allow the healthy start program to make programmatic changes, such as hiring additional child development and clinical specialists, providing additional training to staff, increasing prenatal intake, and focusing on risk factors identified in the family stress checklist.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1170, 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 and Takai.

**SCRep. 1299 Health/Human Services & Housing on S.B. No. 51**

The purpose of this bill is to ensure the safety of the frail and elderly who are consumers of home care agency services by requiring the Department of Health (DOH) to license and monitor home care agencies.

DOH and the Healthcare Association of Hawaii supported this bill.

Your Committees have amended this bill by inserting an appropriation of \$107,000 for one full time equivalent position within DOH to assist in the licensing and monitoring of home care agencies.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 51, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 51, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Takai, Tokioka and Awana.

**SCRep. 1300 Higher Education on S.B. No. 1481**

The purpose of this bill is to reduce substance abuse in Hawaii by establishing and appropriating funds for a pilot program for screening, brief intervention, and referral to substance abuse treatment.

The Office of the Lieutenant Governor, Department of Health, Hawaii Substance Abuse Coalition, MADD-Hawaii, and several concerned individuals testified in support of this bill. The University of Hawaii John A. Burns School of Medicine 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. 1481, 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 Takamine, Wakai, Ching and Finnegan.

**SCRep. 1301 Higher Education/Labor & Public Employment on S.B. No. 608**

The purpose of this bill is to provide access to information on available workforce training by requiring and appropriating funds for the University of Hawaii to design, research, and develop a statewide web-based interactive searchable database.

The Workforce Development Council, Department of Education, and Hawaii P-20 Initiative 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. 608, 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 Luke, McKelvey, Shimabukuro, Souki, Takamine, Wakai, Finnegan and Meyer.

**SCRep. 1302 Health on S.B. No. 667**

The purpose of this bill is to ensure access to professional and qualified mental health counseling through clarification of the requirements for mental health counselor licensure by establishing that those persons who applied to the Department of Commerce and Consumer Affairs (DCCA) after July 1, 2005, and graduated from an accredited program before July 1, 2007, may be eligible for licensure.

Specifically, this bill:

- (1) For applicants who have graduated from an accredited educational institution before July 1, 2007, allows for certain substitutions for the practicum intern and post graduate experience required for licensure; and

- (2) Makes the mental health counselors licensing law permanent by repealing its sunset date of December 31, 2008, in section 26H-4, Hawaii Revised Statutes.

Kaiser Permanente, Alliance for Professional Counselor Licensure, Hawaii Rehabilitation Counseling Association, Case Management Works, Inc., Sestak Rehabilitation Services, Hawaii Rehabilitation Counseling Association, several faculty members of Chaminade University of Honolulu, and many concerned individuals supported this bill. Rehabilitation Association of Hawaii supported this measure with amendments. DCCA 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 3, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Takai, Tokioka and Awana.

**SCRep. 1303 Health/Human Services & Housing on S.B. No. 713**

The purpose of this bill is to ensure quality health care by allowing the Department of Commerce and Consumer Affairs (DCCA), Department of Human Services (DHS), and Department of Health (DOH) to monitor and evaluate the quality and competency of nurse aides practicing in the state by providing for the certification and recertification of nurse aides (NA) who work in nursing facilities participating in Medicare and Medicaid programs and in other state-licensed and state-certified health care settings.

The Healthcare Association of Hawaii and Policy Advisory Board for Elder Affairs supported this bill. DCCA, Hawaii Long Term Care Association, and Hawaii Coalition of Care Home Administrators supported this measure with amendments. DOH and DHS submitted comments.

Your Committees have amended this bill by:

- (1) Making the Director of Human Services responsible for approving and arranging for the recertification process for NAs who work in Medicare or Medicaid certified nursing facilities and in state-licensed or state-certified health care settings;
- (2) Requiring an annual performance review as part of the Medicare or Medicaid NA recertification process;
- (3) Requiring the Director of Health to implement procedures related to disciplining certified NAs employed in nursing facilities participating in Medicare and Medicaid programs;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 713, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 713, 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 Cabanilla and Takai.

**SCRep. 1304 Health/Human Services & Housing on S.B. No. 427**

The purpose of this bill is to:

- (1) Increase the state supplemental payments for domiciliary care, including care provided in licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes; and
- (2) Establish a rate of payment for individuals in skilled nursing facilities and intermediate care facilities.

The Department of Human Services (DHS), Disability and Communication Access Board, Mayor of Hawaii County, Hawaii Alliance for Retired Americans, Hawaii Long Term Care Association, Kokua Council, Policy Advisory Board for Elder Affairs, Healthcare Association of Hawaii, Arc in Hawaii, and many concerned individuals supported this bill. The Hawaii Coalition of Care Home Administrators, Legal Aid Society of Hawaii, and several concerned individuals submitted comments.

Your Committees have amended this bill by:

- (1) Requiring DHS's Medically Needy Program to disregard an amount of income equal to the difference between 133 percent of the assistance allowance and 100 percent of the federal poverty level in determining eligibility for the program;
- (2) Removing requirements for providing a personal needs allowance (PNA) of:
  - (A) \$50 for individuals in domiciliary care facilities; and
  - (B) \$20 for individuals in skilled nursing facilities and intermediate care facilities;
 and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committees find that it is important that this state increase the PNA for those people cared for in Hawaii's skilled nursing and intermediate care facilities. It is the intention of your Committees that the increased payments provided by this bill for skilled nursing and intermediate care facilities should go to the patients to increase the patients' PNA. In addition, automatic increases in the PNA are important to keep pace with the economy.

With the addition of the provisions to this bill that make adjustments to DHS's Medically Needy Program, your Committees request that your Committee on Finance determine if it would be appropriate to include an appropriation in this bill to provide DHS with added funding to accomplish this task.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 427, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 427, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Rhoads and Takai.

**SCRep. 1305 Health on S.B. No. 967**

The purpose of this bill is to provide monetary relief to organ donors by providing tax deductions to living organ and tissue donors. Specifically, this bill allows a deduction of up to \$10,000 from adjusted gross income for expenditures related to donating organs.

The National Kidney Foundation of Hawaii and a concerned individual testified in support of this bill. The Department of Taxation and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by allowing the taxpayer to claim the deduction for the taxable years in which the unreimbursed claim was incurred, instead of the taxable year in which the organ donation occurred, to prevent an organ donor from losing expenses due to the timing of the donation, and to take into consideration medical costs for follow-up procedures.

According to the National Kidney Foundation of Hawaii, the estimated annual tax revenue loss as a result of this tax deduction is \$10,000. Your Committee finds that this is a small annual cost for the State to pay to encourage taxpayers to donate organs to give an increasing number of patients a second chance at life.

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. 967, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 967, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1306 Health on S.B. No. 970**

The purpose of this bill is to provide dental care services to QUEST-eligible adults and children, the developmentally disabled, and the uninsured by appropriating funds to establish or expand community-based dental health clinics operated by federally-qualified health centers.

The State Council on Developmental Disabilities, Hawaii Psychiatric Medical Association, Hoola Lahui Hawaii, Hawaii Primary Care Association, Waikiki Health Center, Molokai Ohana Health Care, Inc., Community Clinic of Maui, Hamakua Health Center, Inc., West Hawaii Community Health Center, Kokua Council, Policy Advisory Board for Elder Affairs, Kalihī-Palama Health Center, and several concerned individuals testified in support of this bill. The Arc in Hawaii 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 January 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 970, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 970, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1307 Health on S.B. No. 1457**

The purpose of this bill is to appropriate emergency funding necessary to cover increasing expenses relating to the ongoing operation, services, and activities of the Developmental Disabilities Division of the Department of Health (DOH).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 248 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$4,980,523 for fiscal year 2006-2007 out of general revenues to be used to:

- (1) Sustain the ongoing operation and services;
- (2) Provide individuals with developmental disabilities or mental retardation, home and community-based services; and
- (3) Increase admission into Medicaid State Plan Intermediate Care Facilities for the Mentally Retarded in the Community Program.

The appropriated amounts are to be expended by the Department of Health.

The Department of Health, State Council on Developmental Disabilities, and Special Education Advisory Council supported this bill.

Your Committee has amended this bill by:

- (1) Authorizing an additional appropriation of \$4,111,237 to raise the expenditure ceiling of the Developmental Disabilities Interdepartmental Transfer Fund; 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. 1457, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1457, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1308 Health on S.B. No. 1458**

The purpose of this bill is to appropriate \$439,684 as an emergency appropriation to reimburse costs associated with the delivery of emergency aeromedical services on Oahu by the Hawaii Army National Guard or other provider.

Pursuant to the requirements set forth in Article VII, Section 9, of the Constitution of the State of Hawaii, the Governor, in her Governor's Message No. 249 to the Legislature, requested immediate consideration and passage of this bill, citing an existing critical funding emergency to continue aeromedical services on Oahu.

The Department of Health supported this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1,900,000 to match the amount originally identified in the Governor's Message No. 249; 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. 1458, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1458, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1309 Health on S.B. No. 1459**

The purpose of this bill is to appropriate emergency funding to the Department of Health (DOH) to ensure the State's compliance with the federal Individuals with Disabilities Education Improvement Act of 2004. Specifically, this bill appropriates general funds for fiscal year 2006-2007 to provide additional early intervention services to meet the needs of infants and children who have developmental delay or who face biological or environmental risk.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 250 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

DOH, State Council on Developmental Disabilities, Hawaii Chapter-American Physical Therapy Association, Easter Seals Hawaii, Center on Disability Studies, Hawaii Early Intervention Coordinating Council, and Special Education Advisory Council testified in support of 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. 1459, 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, Takai and Tokioka.

**SCRep. 1310 Health on S.B. No. 1454**

The purpose of this bill is to rename the "Hospital and Medical Facilities Special Fund" as the "Office of Medical Assurance Special Fund" (Special Fund) to reflect the agency's recent change in title and assure funding is available for the agency to properly carry out its duties.

This bill also:

- (1) Allows the deposit of administrative fines into the Special Fund; and
- (2) Authorizes the use of moneys deposited into the Special Fund to offset operating expenses in addition to educational purposes.

The Department of Health 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. 1454 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, Takai, Tokioka and Awana.

**SCRep. 1311 Health on S.B. No. 55**

The purpose of this bill is to repeal a temporary provision allowing passage of a regional examination in lieu of the American Board of Dental Examiners (ADEX) examination for dentist licensure in Hawaii.

The Board of Dental Examiners and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1312 Tourism & Culture on S.B. No. 866**

The purpose of this bill is to preserve the integrity of the Board of Directors of the Hawaii Tourism Authority (HTA) by prohibiting a person who has served as a member of the Board of Directors of the Hawaii Visitors and Convention Bureau (HVCB) from sitting as a public, voting member of the Board of HTA, until at least two years have expired between the person's termination from service on the Board of HVCB and the person's appointment to the Board of HTA.

HTA supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 866, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 866, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai and Ching.

**SCRep. 1313 Tourism & Culture on S.B. No. 678**

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 pursuant to a contract with the Hawaii Tourism Authority (HTA).

The Department of Taxation, Department of Business, Economic Development, and Tourism, and HTA supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 678, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai and Ching.

**SCRep. 1314 Tourism & Culture on S.B. No. 880**

The purpose of this bill is to preserve Hawaii's unique cultural heritage by establishing the temporary Museum of Hawaiian Music and Dance Committee (Committee) to investigate items relating to, and develop plans for, the Museum of Hawaiian Music and Dance.

The State Foundation on Culture and the Arts, Hawaii Government Employees Association, Hawaiian Music Hall of Fame, and numerous concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Requiring the Committee to submit a final report prior to June 30, 2008, that contains a detailed account of how all funds were expended and plans for the future direction of the Museum of Hawaiian Music and Dance; 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. 880, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 880, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai and Ching.

**SCRep. 1315 Tourism & Culture on S.B. No. 1228**

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR), with assistance from certain cultural organizations, to establish a process to determine the most appropriate means of memorializing the World War II Japanese internment camp experience in Hawaii.

DLNR, the Historic Hawaii Foundation, Japanese American National Heritage Coalition, and the Japanese Cultural Center of Hawaii supported this bill.

Your Committee has amended this measure by:

- (1) Clarifying, in the purpose section, that the development of memorials will be eligible for 50 percent, instead of 25 percent, federal matching funds administered by the National Park Service;
- (2) Changing its effective date to July 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1228, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1228, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Wakai and Ching.

**SCRep. 1316 Energy & Environmental Protection on S.B. No. 993**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds.

More specifically, the Department of Budget and Finance is authorized to issue up to \$20,000,000 in special purpose revenue bonds for this project to assist Honolulu Seawater Air Conditioning, LLC with the costs of design and development of a seawater air conditioning project on the island of Oahu.

Your Committee received testimony in support of the measure from the Hawaii Energy Policy Forum at the University of Hawaii at Manoa, Honolulu Seawater Air Conditioning, LLC, and KUD International, LLC.

Your Committee finds that Hawaii is dependent on fossil fuel imports to generate energy necessary for projects such as air conditioning. In addition, your Committee finds that support for the development of renewable energy systems is in the public interest.

Your Committee finds that the development of a deep seawater air conditioning facility and distribution system in downtown Honolulu is a major step in the development of a renewable energy resource system.

Your Committee further finds that a seawater air conditioning system provides many advantages, such as a greatly reduced use of harmful chemicals, energy savings of seventy per cent compared to conventional air conditioning, and lower operating and maintenance costs than individual building air conditioning systems, and will eliminate the need for up to 0.63 kilowatts of electricity generation capacity for each ton of cooling capacity.

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. 993, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1317 Energy & Environmental Protection on S.B. No. 1720**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Jacoby Development, Inc., and its affiliate, Geoplasma LLC, a processing enterprise, with its plasma municipal solid waste processing system.

Your Committee received testimony in support of this measure from Geoplasma LLC, a subsidiary of Jacoby Development, Inc., the Waianae Kai Homestead Association, the Nanakuli Hawaiian Homestead Community Association, and a concerned individual.

Your Committee finds that this measure will enable Jacoby Development, Inc. to acquire the Waimanalo landfill upon which to then build its plasma municipal solid waste processing system. The creation of a solid waste processing system will in effect convert the landfill from being merely a receptacle for solid waste into being a transformer of solid waste into energy, specifically, electricity.

Your Committee has amended this measure by correcting the name of the bond recipient in only the text of the 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. 1720, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1720, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1318 Energy & Environmental Protection on S.B. No. 1222**

The purpose of this measure is to clarify that the renewable energy technologies tax credit is available only for energy technology systems that are installed and placed in service in Hawaii.

Your Committee received testimony in support of the measure from the University of Hawaii's Hawaii Energy Policy Forum and the Hawaii Renewable Energy Alliance. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the renewable energy technologies tax credit provides an incentive for businesses and residents to install and place into service energy technology systems that capture and convert natural sources such as the wind, heat, or light into a consumable energy or fuel. The tax credit, however, is unclear as to the qualifying location of such energy technologies systems.

This measure clarifies that the energy technologies systems must be installed and placed into service in the State in order to qualify for the renewable energy technologies tax credit.

Your Committee has amended the bill by clarifying that this measure applies to taxable years beginning after December 31, 2006.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1222, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1319 Energy & Environmental Protection on S.B. No. 1718**

The purpose of this measure is to support the development of renewable and efficient energy systems in the State by authorizing the Department of Budget and Finance to issue special purpose revenue bonds to assist BlueEarth Maui Biofuels, LLC with the construction of a biodiesel refinery on Maui for the purpose of producing fuel for electrical generation.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Hawaiian Electric Company, and BlueEarth Biofuels, LLC. Testimony in opposition to this measure was submitted by the Hawaii Audubon Society, Lahui O Ka 'Aina, Ke Ola 'Aina, Life of the Land, Maui Tomorrow, Pacific Biodiesel, the Sierra Club Hawaii Chapter, Maui Group, and twenty-one concerned individuals. The Department of Budget and Finance and the Sustainable Biodiesel Alliance submitted comments.

Your Committee finds that much of the opposition to this measure focuses on the type of fuel crop, imported palm oil in particular, which opponents believe that BlueEarth Maui Biofuels, LLC may use to produce biodiesel.

Your Committee also finds that the proponents and opponents of this measure understand the need for environmentally sound, sustainable practices in the cultivation of fuel crops and that the energy input in the cultivation of these types of crops, its production into a biofuel, and distribution process require a cost benefit analysis. Your Committee further finds that the proponents and opponents of this measure realize that the promotion of fuel crops should not jeopardize the growing of food crops, which this Committee understands to be equally as important in addressing food security issues. However, your Committee believes that these types of concerns may be more productively addressed in a policy discussion within the context of larger agricultural, energy, and environmental issues; specifically, in our efforts to create a bio-energy master plan for the State of Hawaii. Such a plan is one of the initiatives outlined in House Bill No. 1003, H.D. 3.

Your Committee also finds that there appears to be a lack of understanding in how special purpose revenue bonds are issued and the amount of due diligence that must be performed prior to the issuance of special purpose revenue bonds, particularly that the bonds are not the general or moral obligation of the State.

Therefore, in consideration of the extensive scrutiny this project and its developers must engage in during the normal permitting process, which includes the opportunity for public participation and the due diligence required prior to the issuance of any special purpose revenue bonds, your Committee limited its scope of discussion and decision making to whether this project meets the definition of a qualifying facility.

Your Committee has amended this bill by:

- (1) Clarifying that BlueEarth Maui Biodiesel, LLC will be the company involved with the actual issuance of special purpose revenue bonds, not BlueEarth Maui Biofuels, LLC; and

- (2) Adding language at the end of section 3 to conform to standard drafting conventions for bills authorizing the issuance of special purpose revenue bonds.

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. 1718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1718, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1320 Consumer Protection & Commerce on S.B. No. 920**

The purpose of this bill is to prevent abuses that may occur from the distribution of condominium association membership lists. Specifically, this bill prohibits:

- (1) The use or distribution of membership lists without the prior written consent of the condominium association's board of directors; and
- (2) The condominium's managing agent, manager, and board of directors from using information from membership lists to create any separate list as a means of evading restrictions on the use of such information.

The Real Estate Commission, Hawaii Council of Associations of Apartment Owners, and Hawaii Independent Condominium & Cooperative Owners testified in support of this bill. The Hawaii Legislative Action Committee of the Community Associations Institute supported this measure with amendments.

Your Committee finds that this bill seeks to protect condominium association membership lists from uses that fall outside of association purposes, such as commercial or political uses.

Your Committee has amended this measure by 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. 920, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 920, 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, Green, Luke and Thielen.

**SCRep. 1321 Human Services & Housing on H.C.R. No. 78**

The purpose of this resolution is to establish a Legislative interim task force to study and make recommendations for the creation of universal children's savings accounts.

The Hawaii Alliance for Community-Based Economic Development (HACBED) provided testimony in support of this resolution.

Your committee finds that HACBED has experience and expertise in asset building as well as the resources to assist the task force with the creation of universal savings accounts.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 78 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 1322 Human Services & Housing/Health on H.C.R. No. 54**

The purpose of this resolution is to request the Department of Human Services to establish an interim task force to review the State maximum allowable cost program's reimbursement policy and its impact on small, independent, community pharmacies.

Longs Drug Store testified in support of this resolution. The Department of Human Services supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 54 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1323 Higher Education/Education on S.B. No. 688**

The purpose of this bill is to ensure an engaged, responsible, and productive citizenry as a result of an education system that is coordinated from early childhood schooling to workforce preparation. Specifically, this bill appropriates funds to the Hawaii P-20 Initiative to develop and initiate plans for education in Hawaii in the 21<sup>st</sup> century.

The Hawaii P-20 Initiative and Hawaii State Teachers Association testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 688, 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 Takamine, Wakai, Ching and Finnegan.

**SCRep. 1324 Education/Labor & Public Employment on S.B. No. 95**

The purpose of this bill is to repeal obsolete provisions that allowed the Department of Education (DOE) to reallocate existing vacant positions so long as this results in positions being transferred from the state and district offices to individual schools and learning support centers.

DOE testified in support 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. 95, 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, Luke, McKelvey, Nishimoto, Souki and Meyer.



**SCRep. 1325 Education/Health/Labor & Public Employment on S.B. No. 98**

The purpose of this bill is to improve the efficacy of school health functions by:

- (1) Repealing the transfer from the Department of Health (DOH) to the Department of Education (DOE) of public health nurses who supervise school health aides;
- (2) Repealing the School Health Services Program currently operating within DOH;
- (3) Creating a School Health Services Program within DOE; and
- (4) Requiring DOE to provide career pathways development and training opportunities for school health aides in the school health services field and other fields within DOE to ensure their opportunity for continued employment within DOE.

DOE, DOH, the Department of Human Resources Development, and a concerned individual testified in support of this bill.

Your Committees wish to clarify that while the School Health Services Program will be repealed from chapter 321, Hawaii Revised Statutes, the civil service members who currently occupy school health aide positions will not be subject to a reduction in force.

As affirmed by the records of votes of the members of your Committees on Education and Health and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 98, 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 Belatti, Cabanilla, Luke, Nishimoto, Souki, Takamine, Awana and Meyer.

**SCRep. 1326 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 840**

The purpose of this bill is to perpetuate the cultural heritage and the Hawaiian way of life of the residents of Kalapana, one of the last Hawaiian settlements on the island of Hawaii, who were allowed to live in the Kikala-Keokea homestead area under conditions similar to those in Kalapana under Act 314, Session Laws of Hawaii 1991, after being displaced by the volcanic eruptions and lava flows that began on January 3, 1983. This bill authorizes the Department of Land and Natural Resources (DLNR) to award leases for the remaining 19 lots at Kikala-Keokea to residents who meet specific criteria and priority requirements.

DLNR, the Office of Hawaiian Affairs, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840 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, Morita and Thielen.

**SCRep. 1327 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 870**

The purpose of this bill is to provide public access to existing documentation of archaeological work of the Hawaiian archipelago, beginning with the collections of Bishop Museum, by:

- (1) Establishing a Hawaii Archaeological Data Survey (Survey), that consists of an online database; and
- (2) Designating the Survey as a program of the Bishop Museum, which has been designated as the State of Hawaii Museum of Natural and Cultural History (Museum) under Section 6E-40, Hawaii Revised Statutes.

The bill also authorizes the Museum, in consultation with the Office of Hawaiian Affairs (OHA), to withhold from the database sensitive information that if disclosed, may threaten the protection of valuable archaeological sites and artifacts.

OHA and the Bishop Museum testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Office of Information Practices and the President of the Society for Hawaiian Archaeology provided comments.

Your Committee has amended this bill by changing the effective date to July 1, 2050, to encourage further discussion.

Your Committee notes that concerns were raised regarding language to ensure that confidentiality of sensitive information is balanced with the public's right to the information under information practices laws. Your Committee respectfully requests the Committee on Finance to consider inserting language to clarify the State's authority when various state agencies and the Bishop Museum differ in opinion as to whether certain information should be disclosed or withheld. Specifically, your Committee requests that the Committee on Finance consider authority the State should have to mandate the Museum to:

- (1) Withhold information the State concludes is sensitive, but Bishop Museum seeks to disclose on the Survey; and
- (2) Disclose information the State concludes is not sensitive, but Bishop Museum seeks to withhold from the Survey.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 870, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1328 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1853**

The purpose of this bill is to establish an advisory committee to advise the Legislature in the creation of a system of best management practices, called the Aha Moku Council System, based on the indigenous resource management practices of regional boundaries using community expertise and programs and projects that improve communication, education, and training to foster understanding and practical use of knowledge to assure responsible stewardship and awareness of the interconnectedness of the components of our land and ocean.

The Office of Hawaiian Affairs, State Council of Hawaiian Homestead Associations, Association of Hawaiian Civic Clubs, Pearl Harbor Hawaiian Civic Club, and a concerned individual testified in support of this bill. The Nature Conservancy of Hawaii and a concerned individual supported this measure with amendments. The Department of Land and Natural Resources supported the intent of this bill. The Hui Ho'omalua i ka 'Aina opposed this measure. A concerned individual provided comments.

Upon further consideration, your Committee has amended this bill by replacing its contents with the language of H.B. No. 1948, H.D. 2. Your Committee finds that the House version of the Aha Moku Councils concept better provides the intended grassroots support.

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

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

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1853, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1853, 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 and Thielen.

**SCRep. 1329 Human Services & Housing on S.B. No. 1991**

The purpose of this bill is to foster the development of moderate income senior housing in our communities that also provides a continuum of health care services by authorizing the issuance of special purpose revenue bonds not to exceed \$120,000,000 to assist the Craigsides Retirement Residence, a Hawaii not-for-profit corporation, in the acquisition of land, planning, design, and construction of the senior housing facility.

The Hawaii Long Term Care Association, Arcadia Retirement Residence, and Craigsides Retirement Residence testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1991, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1330 Human Services & Housing on S.B. No. 1937**

The purpose of this bill is to require the Department of Human Services (DHS), using Temporary Assistance for Needy Families program funds, to establish a Micro-credit Pilot Program to provide loans to qualified low-income individuals.

DHS and 3Point testified in support of this bill. The Hawaii Alliance for Community-Based Economic Development supported the intent of this measure.

DHS estimates approximately \$300,000 will be needed to contract for services to research micro-credit programs, make recommendations on the establishment of such a program, and to develop an implementation plan.

Your Committee has amended this bill by:

- (1) Allowing DHS until July 1, 2008, to implement a micro-credit pilot program;
- (2) Allowing DHS to contract for services related to the development and implementation of a micro-credit program;
- (3) Specifying that the interim report from DHS include research, evaluation, and best practices, as well as recommendations for the implementation of a micro-credit program, and that the final report include DHS's progress on implementing the program; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1937, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1937, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1331 Education on S.B. No. 1614**

The purpose of this bill is to improve teacher quality, recruitment, and retention at Waianae complex schools by appropriating funds to implement a human resource management model pilot project for these schools, which consist of Waianae High School and its elementary and intermediate feeder schools.

The Department of Education, Hawaii State Teachers Association, Maili Elementary School, Waianae Elementary School, Leihoku Elementary School, Makaha Elementary School, Kamaile Elementary School, Waianae Intermediate School, Waianae High School, and a concerned individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1614, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 1332 Education on S.B. No. 1136**

The purpose of this bill is to ensure adequate funding for public school students and to increase the efficiency of operations within the school complex areas. Specifically, this measure:

- (1) Appropriates funds to augment the funds provided under weighted student formula (WSF) allocations for the educational needs of certain disadvantaged students;
- (2) Authorizes and appropriates funds for complex area superintendents to provide support to school administrators, school community councils, staff, and teachers in the form of training, expertise, and materials necessary for schools to fulfill their responsibilities; and
- (3) Appropriates funds for junior kindergarten classes with fifteen or fewer students, with priority for underachieving schools and schools with a high percentage of students eligible for free or reduced price lunches.

The Department of Education and Hawaii State Teachers Association testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the provisions related to augmenting the funds provided under WSF allocations for the educational needs of certain disadvantaged students;

- (2) Deleting the appropriation of funds for junior kindergarten classes; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1136, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 1333 Education on S.B. No. 1820**

The purpose of this bill is to increase the availability of school facilities and therefore improve the learning environment for Hawaii's students by allowing the Board of Education (BOE) more flexibility in acquiring new school design and construction projects. Specifically, this bill:

- (1) Authorizes BOE to enter into financing agreements with the concurrence of the Director of Finance and without the approval of the Comptroller; and
- (2) Creates a new account within the State Educational Facilities Improvement Special Fund for lease payments required by financing agreements entered into by BOE.

The Maui Land & Pineapple Company, Inc., and several concerned individuals testified in support of this bill. The Department of Education (DOE) supported the intent of this measure. The Department of Budget and Finance and Department of Accounting and General Services opposed this bill.

Your Committee has amended this bill by:

- (1) Clarifying that DOE, rather than BOE, is authorized to enter into financing agreements;
- (2) Restricting the use of lease payments to new schools included within DOE's current six-year capital improvements program, which are DOE priority projects;
- (3) Clarifying that DOE may enter into contracts, leases, lease-purchase agreements, or other transactions necessary for the acquisition of public school facilities with the concurrence of the Director of Finance; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1820, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1820, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

**SCRep. 1334 Health on S.B. No. 1802**

The purpose of this measure is to enable health care providers to share necessary and relevant information from mental health records while preserving a patient's dignity and privacy.

Specifically, this measure establishes an exception to the confidentiality of mental health records to allow a health care provider to disclose information to another health care provider for the purposes of the patient's continued care or treatment.

Your Committee received testimony in support of this measure from the Hawaii Association of Health Plans, Hawaii Management Alliance Association, Hawaii Medical Association, Hawaii Pacific Health, Hawaii Primary Care Association, Hawaii Psychiatric Medical Association, Healthcare Association of Hawaii, Kahi Mohala Behavioral Health, Kaiser Permanente, National Alliance on Mental Health Oahu, and the Queen's Medical Center.

Currently, necessary mental health services may be delayed or denied because mental health record information cannot be shared between health care providers. Your Committee finds that this narrow exception to the confidentiality of mental health records will assist patients to receive timely treatment and services without diminishing patient rights.

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. 1802 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1335 Health on S.B. No. 50**

The purpose of this bill is to provide funding to ensure that the basic infrastructure of the entire Hawaii AIDS clinical research program can remain viable and productive.

Specifically, this bill appropriates unspecified amounts for fiscal year 2007-2008 and fiscal year 2008-2009 to the University of Hawaii for the Hawaii AIDS clinical research program.

Your Committee received testimony in support of this bill from Gregory House Programs, the Life Foundation, the AIDS Education Project of the Hawaii AIDS Education and Training Center, the Clint Spencer Clinic, the Shaken Baby Alliance, the nurses of the Hawaii Island HIV/AIDS Foundation, the Drug Policy Action Group, five individuals from the Hawaii AIDS Clinical Research Program, and fifteen individuals, including people living with HIV/AIDS and health care providers who treat HIV/AIDS patients. The Interim Dean of the University of Hawaii John A. Burns School of Medicine offered comments.

Your Committee finds that the appropriation of funds in this bill will ensure that the Hawaii AIDS clinical research program can be maintained and be productive and, to that end, your Committee recommends that the amount of \$1,200,000 in fiscal year 2007-2008 and fiscal year 2008-2009 be considered to replace the unspecified amounts in the appropriation for the sake of individuals in Hawaii with AIDS.

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. 50, 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 Takai and Tokioka.

**SCRep. 1336 Health on S.B. No. 1728**

The purpose of this measure is to provide funding for a two-year demonstration project for intervention and treatment of hepatitis C.

More specifically, the appropriation helps to create a demonstration project at the Waikiki Health Center and the West Hawaii Community Health Center that includes testing, case management, and treatment of hepatitis C.

Your Committee received testimony in support of this measure from the Waikiki Health Center, the Hepatitis Prevention, Education, Treatment & Support Network of Hawaii, the Philippine Nurses Association-Hawaii, the United Filipino Council of Hawaii, the Filipino Coalition for Solidarity, Nursing Advocates & Mentors, Inc., the National Federation of Filipino American Associations, the Congress of Visayan Organizations, the Oahu Filipino Community Council, the Asian American Network for Cancer Awareness Research and Training, the Hawaii Disability Rights Center, one medical doctor, and four individuals.

The Department of Health offered comments on the measure. Your Committee recognizes the Department of Health's concerns that:

- (1) The number of patients receiving hepatitis C services is uncertain;
- (2) There are no funds appropriated to the Department of Health although the Department will be administering and coordinating the demonstration project; and
- (3) Although two specific healthcare sites have been selected, the Department of Health would still be required to use an open and competitive procurement process before it can use funds for those sites.

Your Committee finds that hepatitis C is a serious disease that leads to the death of approximately ten thousand to twelve thousand people nationwide. In addition, your Committee finds that Hawaii has the highest rate of liver cancer in the nation due to a high rate of chronic viral hepatitis C. More than fifteen thousand people have tested positive for hepatitis C in Hawaii.

Your Committee finds that this measure seeks to help address this problem by funding a two-year demonstration project for hepatitis C at two healthcare centers to provide testing, case management, treatment, surveillance, research, and outcome assessments.

Your Committee further notes that early testing, intervention, and treatment is more successful and highly cost effective, compared to extensive, expensive, and often unsuccessful treatment required after a person becomes ill from hepatitis C.

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. 1728, 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, Takai and Tokioka.

**SCRep. 1337 Health on S.B. No. 139**

The purpose of this bill is to ensure proper distribution of taxes collected from the sale of cigarettes by:

- (1) Clarifying that the cigarette tax collected pursuant to section 245-15, Hawaii Revised Statutes, will be assessed on a per cigarette basis; and
- (2) Ensuring that the cigarette taxes collected are earmarked for designated special funds through the year 2011 and beyond.

The Department of Health, University of Hawaii, Hawaii Primary Care Association, Healthcare Association of Hawaii, Queen's Medical Center, Hawaii Pacific Health, Coalition for a Tobacco Free Hawaii, and a concerned individual supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Ensuring that any interest earned or accrued by the moneys collected from the cigarette tax and placed in the Hawaii Cancer Research Special Fund will remain in the fund for use by the Cancer Research Center of Hawaii; 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. 139, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 139, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Takai, Tokioka and Awana.

**SCRep. 1338 Health on S.B. No. 1629**

The purpose of this bill is to authorize the issuance of revenue bonds to assist the Hawaii Health Systems Corporation or any of its regional subsidiary corporations.

Specifically, this bill authorizes the issuance of special purpose revenue bonds to assist the Corporation or any of its regional subsidiary corporations with construction, improvements, and equipment for its facilities, including construction of a new heart, brain, and spine center on Maui.

Your Committee received testimony in support of the measure from the Hawaii Health Systems Corporation, the Healthcare Association of Hawaii, and the Maui Memorial Medical Center. Comments on the measure were received from the Department of Budget and Finance.

Your Committee finds that the expansion of cardiology and neurology services on Maui will have a tremendous positive impact on the health and wellness of all residents of Maui and the State.

Your Committee has amended this measure by changing the effective date to July 1, 2121 to facilitate further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1629, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1629, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Takai and Tokioka.

**SCRep. 1339 Health on S.B. No. 1674**

The purpose of this measure is to exempt certain telemedicine services provided by out-of-State radiologists from state licensing laws for both medicine and surgery and radiologic technology.

Specifically, this measure authorizes radiologists who are physically present in the State but are licensed to practice medicine in another state to use telemedicine to provide radiology services to patients located in the state in which the radiologists are licensed.

Your Committee received testimony in support of the measure from the Department of Health, the Board of Medical Examiners, Virtual Radiologic Corporation, and the Maui Economic Development Board. Testimony in opposition was received from the Hawaii Medical Association.

Your Committee finds that this measure clarifies existing law by recognizing that the practice of medicine occurs where the patient, not the physician, is physically located.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1674, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1340 Health on S.B. No. 1803**

The purpose of this measure is to amend state health insurance laws with respect to small insurers.

Specifically, this measure:

- (1) Exempts a small group health insurer from having to offer a group health plan to small employers that employ only one employee, if the insurer offers the small employers at least one small group health plan that meets the requirements of chapter 393, Hawaii Revised Statutes, relating to prepaid health care plans; and
- (2) Exempts any accident or sickness insurer with a less than ten per cent share of the accident and sickness insurance market from the prohibition on requiring a prospective insured to contract for another class or an additional policy of the same class of insurance in order to obtain the accident and sickness insurance policy.

Your Committee has received testimony in support of this measure from the Hawaii Association of Realtors and testimony in opposition to this measure from the Department of Commerce and Consumer Affairs. In the latter testimony, the state Insurance Commissioner stated that:

Under Hawaii Revised Statutes section 431:13-103(a)(4)(B), part of the unfair methods of competition and unfair and deceptive acts and practices in the business of insurance statute, insurance companies are prohibited from making the purchase of one class of insurance contingent upon the purchase of another class of insurance. This is known as the "anti-bundling" provision and is designed to protect consumers from [an] insurer who would seek to force consumers to purchase multiple types of insurance in order to buy a policy that they want to buy. The rule does not prohibit an insurer from offering different classes of insurance together in an attractively priced package. There is no violation if the consumer has the option of taking the package or just taking the insurance wanted. The law only prohibits an insurer from refusing to sell one policy unless another policy or other policies are also purchased.

Your Committee finds that allowing smaller accident and sickness insurers to "bundle" different classes of insurance, such as health, dental, and vision together, allows the small accident and sickness insurer to provide broader health care coverage in single unified policies, resulting in lower overall premiums. In fact, your Committee believes this practice should be encouraged, as envisioned in the original Senate Draft of the measure.

Accordingly, your Committee has expanded this measure by amending it to allow accident and sickness insurers with less than thirty per cent of the accident and sickness insurance market to require a prospective insured to purchase another class of insurance or an additional policy of the same class of insurance in order to obtain the accident and sickness insurance policy.

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. 1803, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1803, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1341 Judiciary on S.B. No. 56**

The purpose of this bill is to ensure that individuals can receive timely treatment for dental emergencies by allowing actively practicing dentists who:

- (1) Are endodontists, oral surgeons, or periodontists; or
- (2) Reside on an island with a population under 500,000,

to claim exemption from jury service.

Several concerned individuals testified in support of this bill. The Hawaii Dental Association and several concerned individuals supported this bill with amendments. The Judiciary and The League of Women Voters of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Expanding the exemption to include all active practicing dentists;
- (2) Changing the effective date to January 1, 2112, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 56, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 56, 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, Luke, McKelvey, Sonson, Souki, Yamashita and Thielen. (Representative Evans voted no.)

**SCRep. 1342 Human Services & Housing/Health on H.R. No. 34**

The purpose of this resolution is to request the Department of Human Services to establish an interim task force to review the State maximum allowable cost program's reimbursement policy and its impact on small, independent, community pharmacies.

Longs Drug Store testified in support of this resolution. The Department of Human Services supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 34 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1343 Economic Development & Business Concerns/Energy & Environmental Protection on S.B. No. 1717**

The purpose of this bill is to reduce the cost of electric utility capital improvement projects by authorizing the issuance of special purpose revenue bonds, not to exceed \$400,000,000, for capital improvement projects of Hawaiian Electric Company, Inc.; Maui Electric Company, Limited; and Hawaii Electric Light Company, Inc.

Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc., supported the bill.

Your Committees heard testimony that the overall savings over the 30-year life of the special purpose revenue bonds would be \$25,000,000, which will result in lowered rates for consumers. Your Committees respectfully refer to the Committee on Finance, a question that was raised as to whether there is any ceiling on the total amount of bonds of this type that may be issued.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1717, 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, Herkes, Manahan, Saiki, Ching and Thielen.

**SCRep. 1344 Economic Development & Business Concerns/Energy & Environmental Protection on S.B. No. 597**

The purpose of this bill is to decrease Hawaii's dependence on oil and increase its use of renewable resources by authorizing up to \$10,000,000 in special purpose revenue bonds to be issued to assist Sopogy, Inc., to plan, build, and operate a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority site or other suitable sites.

Sopogy, Inc., Hawaii Renewable Energy Alliance, and Hawaii Energy Policy Forum supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Natural Energy Laboratory of Hawaii Authority provided comments.

Your Committees find that Sopogy, Inc.'s solar farm power plant will use Hawaii's abundant sunlight to provide clean, renewable thermal and electrical energy for Hawaii.

Your Committees have amended this bill by specifying that the solar farm power plant should be located in Hawaii.

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

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 597, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 597, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Saiki and Thielen.

**SCRep. 1345 Health/Human Services & Housing on S.B. No. 1182**

The purpose of this bill is to assist Social Security recipients who reside in certain institutional care settings with personal expenditures.

More specifically, this measure establishes a monthly needs allowance of \$50 for residents of care homes and long-term care facilities, to be increased annually in an amount equal to the Social Security income benefit increases. This measure also exempts from the income tax law and the general excise tax the monthly needs allowance received directly by an individual resident of a qualified facility or received indirectly by a facility operator on behalf of an individual resident of a qualified facility.

Your Committees received testimony in support of this bill from the Department of Human Services, the State Council on Developmental Disabilities, the Healthcare Association of Hawaii, the Mayor of Hawaii County, the Hawaii Disability Rights Center, the Policy Advisory Board for Elder Affairs, the Hawaii Coalition of Care Home Administrators, the Hawaii Long Term Care Association, and eighteen individuals. The Department of Taxation, the Disability and Communication Access Board, the Kokua Council, and the Tax Foundation of Hawaii offered comments.

Your Committees believe that the establishment of a needs allowance that is indexed to future Social Security income benefit increases constitutes a significant step in assisting elderly and other residents residing in certain institutional care settings. Your Committees note that the increase in the personal use allowance should extend to residents of intermediate care facilities for the mentally retarded.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1182, 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 and Takai.

**SCRep. 1346 Health on S.B. No. 1346**

The purpose of this bill is to restore the court's authority to order a mental or medical examination of a defendant pending sentencing.

The Department of the Attorney General and the Prosecuting Attorney for the City and County of Honolulu testified in support of this bill.

Your Committee notes that the authority for presentence mental or medical examinations, originally established in 1972, was inadvertently repealed when section 706-603, Hawaii Revised Statutes, was amended in 2005 as part of legislation that enacted a comprehensive forensic DNA identification statute. This measure will allow the courts to better evaluate certain defendants to determine the most appropriate sentence.

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. 1346 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Takai, Tokioka and Awana.

**SCRep. 1347 Agriculture/Economic Development & Business Concerns on S.B. No. 718**

The purpose of this bill is to encourage the purchase and use of Hawaii agricultural products by:

- (1) Requiring the State Procurement Office (SPO), with the assistance of the Department of Agriculture (DOA), to develop a Hawaii agricultural product program that requires purchasing agents of food operations at state correctional facilities and state hospitals and healthcare facilities to:
  - (A) Apply a preference for the purchase of agricultural products raised or grown in Hawaii before purchasing products not raised or grown in Hawaii; and
  - (B) Set goals to increase, in increments, the purchase of Hawaii agricultural products;
 and
- (2) Requiring DOA, with the assistance of SPO, to develop a Hawaii floriculture product program.

DOA, Department of Accounting and General Services, Hawaii Teamsters Local 996, Hawaii Farm Bureau Federation, and Maui County Farm Bureau supported this bill. The Hawaii Agriculture Research Center supported the intent of this measure.

Your Committees find that concerns were raised regarding the provision establishing a Hawaii floriculture product program that is distinct from the Hawaii agricultural product program. Testimony submitted during the public hearing indicated that this may result in possible confusion and duplication of services since the definition of "Hawaii agricultural products" used for the Hawaii agricultural product program already includes floricultural products.

Therefore, your Committees have amended this measure by:

- (1) Deleting the provision requiring DOA, with SPO assistance, to develop a Hawaii floriculture product program; 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 Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 718, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 718, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1348 Agriculture/Energy & Environmental Protection on S.B. No. 890**

The purpose of this bill is to appropriate funds for the University of Hawaii Center for Conservation Research and Training to develop integrated strategies for food and energy crop production in two phases:

- (1) In Phase 1, research and development will be conducted to develop the best strategies consistent with comprehensive agricultural management practices to facilitate sustainable production of crops through long-term enhancement of soil quality using ecologically responsible means; and
- (2) In Phase 2, federal and other funding will be identified and solicited to coordinate implementation and ecological monitoring of a pilot demonstration of the dual-purpose soil additive/energy production facility developed in Phase 1.

The Kauai County Farm Bureau, Forestry Management Consultants-Hawaii, Hawaiian Mahogany, Inc., Joule Junction, and a concerned individual supported this bill.

As affirmed by the records of votes of the members of your Committees on Agriculture and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 890, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Ito, Saiki, Ching, Meyer and Thielen.

**SCRep. 1349 Agriculture on S.B. No. 639**

The purpose of this Act is to improve efforts to control and eradicate noxious weeds in Hawaii by:

- (1) Requiring the Department of Agriculture (DOA), on an annual basis, to review and update the list of restricted plants requiring permits for entry into the state as necessary;
- (2) Requiring, rather than allowing, DOA to adopt rules to carry out the provisions of the Noxious Weed Control Law;
- (3) Prohibiting the sale of noxious weeds within the state; and
- (4) Requiring, instead of allowing, DOA to designate certain plant species as noxious weeds and requiring DOA to, on an annual basis, review and update the list of noxious weeds as necessary.

Hawaii Forest Industry Association and The Nature Conservancy of Hawaii supported this bill. DOA and 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 639, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Hanohano, Manahan and Wakai.

**SCRep. 1350 Agriculture on S.B. No. 1308**

The purpose of this bill is to improve efforts to assist aquacultural businesses and streamline the aquaculture loan program by, among other things:

- (1) Establishing class E loans for new aquaculturists;
- (2) Raising the loan ceilings on class A and class B aquaculture loans to \$800,000;
- (3) Conforming aquaculture loan program requirements more closely to those of the agriculture loan program by allowing a qualified aquaculturalist to obtain a loan under the program if two, instead of three, lenders deny credit;
- (4) Repealing the Aquaculture Loan Revolving Fund and making the Agricultural Loan Revolving Fund the funding source for aquacultural loans; and
- (5) Requiring the Director of Finance to increase the budget expenditure ceiling of the Agricultural Loan Revolving Fund by the amount of the budget expenditure ceiling of the Aquaculture Loan Revolving Fund.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, Hawaii Aquaculture Association, and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1308, 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 Berg and Manahan.

**SCRep. 1351 Agriculture on S.B. No. 835**

The purpose of this bill is to promote the development of safe, high-quality, and high-value agricultural products in Hawaii by appropriating an unspecified amount of funds for the University of Hawaii (UH) College of Tropical Agriculture and Human Resources to develop a long range plan for a food innovation and security center.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, and the Hawaii Food Industry Association supported this bill. The Department of Agriculture and UH supported the intent of this bill.

Your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$300,000 for fiscal year 2007-2008 and fiscal year 2008-2009; 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. 835, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 835, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Hanohano, Manahan and Wakai.

**SCRep. 1352 Agriculture on S.B. No. 837**

The purpose of this bill is to preserve agricultural lands on Oahu by authorizing the Agribusiness Development Corporation (ADC) to purchase, via general funds or revenue bonds, agricultural lands located in the Kunia area on Oahu. In addition, this bill provides additional flexibility to ADC by allowing ADC to:

- (1) Purchase, accept, maintain, and transfer permanent conservation easements in accordance with the Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (2) When leasing ADC-controlled agricultural land, contract with a financial institution that is transacting business in this State to provide lease management services.

The University of Hawaii, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, and Hawaii Crop Improvement Association supported this bill. The Department of Planning and Permitting of the City and County of Honolulu supported this bill in part. The Department of Agriculture and ADC supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Specifying that ADC is authorized to purchase agricultural lands in the Kunia and Ewa areas, instead of solely in Kunia; 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. 837, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 837, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Hanohano, Manahan and Wakai.

**SCRep. 1353 Agriculture on S.B. No. 1307**

The purpose of this bill is to stabilize the livestock industry in Hawaii and ensure its continued viability by:

- (1) Establishing the Livestock Revitalization Program (Program) to provide grants to reimburse qualified producers of milk, poultry products, pork, and beef for up to 50 percent of feed expenses; and
- (2) Appropriating an unspecified amount of funds for the Program.

The Department of Agriculture (DOA), University of Hawaii, Hawaii Farm Bureau Federation, Island Dairy, Inc., Hawaii Pork Industry Association, Hawaii Egg Producers Association, Pacific Dairy, Hawaii Teamsters Local 996, Ulehawa Farm, Inc., and several concerned individuals supported this bill.

Your Committee has amended this measure by:



- (1) Adding qualified producers of sheep and goat products to the Program;
- (2) Inserting an appropriation of \$6,300,000, for each of fiscal year 2007-2008 and fiscal year 2008-2009 for the Program;
- (3) Specifying that funds appropriated lapse on December 31, 2009;
- (4) Revising the herd requirements for a qualified pork producer by raising the minimum required herd size for sows from ten to 50, and deleting the herd requirement of not less than 150 pigs;
- (5) For a qualified producer of beef, specifying a minimum required herd size of not less than 450 head of cattle;
- (6) Deleting the existing provisions relating to the determination of the amount of grant awards and the maximum reimbursement amounts and, instead, establishing specific maximum reimbursement amounts for qualified producers based on the category of livestock and limited by the annual net profit of each qualified producer;
- (7) Deleting the requirement that DOA adopt rules pursuant to Chapter 91, Hawaii Revised Statutes (HRS), and instead, requiring DOA to establish procedures exempt from Chapter 91, HRS, to effectuate the purposes of the Program; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1307, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1354 Human Services & Housing on S.B. No. 1337**

The purpose of this bill is to protect the health and welfare of the children of Hawaii by facilitating the enforcement of a court order compelling a parent to pay child support, medical support, or other remedial care for a child. Specifically, this measure provides that proof that the parent:

- (1) Was present in court at the time the order was issued or that the parent was served with the court order; and
- (2) Failed to comply with the court order,

constitutes prima facie evidence of a civil contempt of court.

The Attorney General, Hawaii State Coalition Against Domestic Violence, and an individual testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1337 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Mizuno.

**SCRep. 1355 Health on S.B. No. 1456**

The purpose of this measure is to make an emergency appropriation for fiscal year 2006-2007 of \$7,542,043 from general funds to the Department of Health for ongoing services provided by the department's adult mental health division.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 234 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

The Department of Health and a concerned individual testified in support of this measure.

Your Committee finds that this emergency appropriation is necessary to continue existing services during a period in which increasing numbers of people require access to adult mental health services. This increase is due in large part to the settlement agreement in *United States v. State of Hawaii, et al.*, under which processes and services were put into place that allow consumers in Hawaii to more effectively access services.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$7,542,043, to \$7,958,000 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1456, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1456, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1356 Health on S.B. No. 1463**

The purpose of this measure is to make an emergency appropriation to the Hawaii Health Systems Corporation to pay for operational costs.

More specifically, the measure increases the expenditure ceiling of the health systems special fund, and appropriates \$41,000,000 out of that fund for the corporation to pay for the increasing costs of providing health care that includes additional staff, including physicians for specialty coverage, the conversion of certain hospitals to critical access hospital status, and to operate the medical and surgical wing at Maui Memorial Medical Center.

The Hawaii Health Systems Corporation submitted testimony in support of the measure.

Your Committee finds that the current special fund expenditure ceiling is insufficient to cover the Hawaii Health Systems Corporation's operational costs of providing health care for fiscal year 2006-2007. This emergency appropriation will allow the continuation of quality health care services necessary to meet community health care needs, particularly on the neighbor islands.

Upon further consideration, your Committee has amended this measure by changing the effective date to July 1, 2121 to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1463, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1463, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Takai and Tokioka.

**SCRep. 1357            Tourism & Culture/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 950**

The purpose of this bill is to formally recognize the significance of taro in Hawaii's history and cultural heritage by designating kalo, the Hawaiian word for taro, as the official state plant.

The Association of Hawaiian Civic Clubs, Hawaii's Thousand Friends, and several concerned individuals supported this bill. The Hawaii Agriculture Research Center supported the intent of this bill.

Your Committees note that concerns were raised regarding the fact that there exist many different varieties of taro. Some varieties may have little, if any, relevance to the cultural heritage of native Hawaiians.

In light of these issues, your Committees have amended this measure by deleting its contents and inserting provisions that require the Department of Agriculture (DOA) and the Department of Land and Natural Resources (DLNR) to conduct a study to determine whether taro should be adopted as the official state plant and, if so, to determine the appropriate variety or varieties of heritage taro indigenous to native Hawaiian culture and lifestyle that should be considered for adoption. In addition, this bill, as amended, contains an effective date of January 1, 2025, to encourage further discussion.

Your Committees find that DOA and DLNR should consult with native Hawaiian organizations throughout the state to obtain their input in conducting the study.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 950, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Herkes, Saiki, Ching and Thielen.

**SCRep. 1358            Tourism & Culture/Public Safety & Military Affairs on S.B. No. 679**

The purpose of this bill is to enhance the safety and welfare of visitors and residents in Hawaii by:

- (1) Requiring the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) to request the Governor to declare that a tourism emergency exists if the Board of HTA determines that an adverse effect on Hawaii's tourism industry resulting from world conflict, terrorist threat, natural disaster, or disease outbreak causes a substantial interruption of commerce in Hawaii and adversely affects the welfare of the people;
- (2) Upon the Governor's declaration that a statewide emergency exists triggering a tourism emergency, allowing HTA to develop and implement measures to respond to tourism emergencies;
- (3) Establishing the Tourism Emergency Trust Fund (Trust Fund) to provide for the development and implementation of emergency measures to respond to the tourism emergency; and
- (4) Specifying that, except for funds authorized for expenditure by the Legislature, funds in the Tourism Special Fund shall be deposited into the Trust Fund to maintain the balance of \$5,000,000.

HTA, The Chamber of Commerce of Hawaii, and the Hawaii Hotel & Lodging Association supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Tax Foundation of Hawaii submitted comments.

Your Committees have amended this measure by:

- (1) With respect to the Board of HTA's request for the Governor to declare a tourism emergency, removing the condition that adverse effects on Hawaii's tourism industry resulting from world conflict, terrorist threat, natural disaster, or disease outbreak, adversely affect the welfare of the people;
- (2) Deleting the requirement that a tourism emergency declaration must be triggered by a "statewide" emergency;
- (3) Clarifying that if the Governor declares that an emergency exists triggering a tourism emergency, the HTA is required to implement measures to respond to the emergency;
- (4) Making it effective upon approval; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 679, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 679, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Luke, McKelvey, Nishimoto, Takamine, Takumi, Ching and Finnegan.

**SCRep. 1359            Transportation on S.B. No. 1028**

The purpose of this bill is to protect the health and safety of bicyclists and motorists by authorizing the counties to regulate both guided and unguided bicycle tour businesses operating on state and county highways, including adopting ordinances that regulate:

- (1) The number of tours;
- (2) The number of bicycles within a tour;
- (3) The scheduling of tours;

- (4) The physical spacing of tours;
- (5) The rules of the road;
- (6) Health and safety requirements;
- (7) Equipment maintenance;
- (8) Driver and guide qualifications;
- (9) Driver and guide drug testing;
- (10) Accident procedures and reporting; and
- (11) Financial responsibility requirements.

The Department of Transportation (DOT), Mayor of the County of Maui, Kula Community Association, and a concerned individual testified in support of this bill. Maui Downhill Bicycle Tours, Maui Bicycle Tour Association, Cruiser Phil's Volcano Riders, and Maui Mountain Cruisers testified in opposition to this measure.

Current laws do not regulate bicycle tours operating on state or county roadways. While your Committee notes that these tours provide a valuable service to Hawaii's tourism market, many safety and liability concerns have been raised by a number of individuals at both the State and county level. Allowing the counties to adopt ordinances that regulate the operations of these tours provides safety for both the bicyclist and the motorist using the public roadways.

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. 1028 and recommends that it pass Second Reading and be referred to the Committee on Tourism & Culture.

Signed by all members of the Committee except Representatives Har, Luke, Sonson, Meyer and Pine.

**SCRep. 1360                    Transportation on S.B. No. 1287**

The purpose of this bill is to simplify the inspection and certification of motor carrier vehicles by requiring that inspections and certifications take place once every 12 months.

The Department of Transportation, Department of Customer Services of the City and County of Honolulu, Hawaii Transportation Association, Alexander & Baldwin, Inc., Matson Navigation Company, and Horizon Lines, LLC, testified in support of this bill.

Currently, all commercial motor vehicles have their annual safety inspections conducted during the month in which the vehicle's certificate of motor vehicle registration is issued. Since many of the chassis used by shipping companies are used nationwide and are often on the mainland or in the possession of a customer during the month the vehicle's registration is due, obtaining safety inspections of these vehicles becomes difficult. Providing for safety inspections on these vehicles to occur once every 12 months gives shipping companies flexibility while maintaining safety standards.

However, your Committee notes that language specifying that certifications and inspections take place once every 12 months may be misinterpreted to mean a certification and inspection must take place on a date exactly 12 months from the previous inspection. Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the inspection and certification of motor carrier vehicles take place once annually; and
- (2) Making the applicability of these amended certification and inspection procedures prospective by changing the effective date to January 1, 2008.

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. 1287, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1287, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Har, Luke, Sonson, Meyer and Pine.

**SCRep. 1361                    Transportation on S.B. No. 1047**

The purpose of this bill is to address the current shortage of commercial drivers within the state by allowing drivers who are 18 years-of-age or older to qualify for a commercial drivers' license (CDL) to transport intrastate commerce.

The Hawaii Transportation Association testified in support of this bill. The Department of Transportation (DOT) and Honolulu Police Department (HPD) testified in opposition to this measure.

Hawaii, like the rest of the nation, faces a shortage of commercial drivers. With increased economic activity resulting in increased freight volume and increased tourism in Hawaii, the situation is expected to worsen. Allowing individuals who are 18 years-of-age or older to qualify for a CDL, with certain restrictions, is an attempt to deal with the need for professional drivers.

However, your Committee understands the safety concerns raised by DOT and HPD regarding the age of CDL drivers and the maturity level needed to operate a commercial vehicle, especially larger trailer-type vehicles, and recognizes that current federal regulations require CDL drivers to be at least 21 years of age. While this idea deserves further discussion and consideration, your Committee believes that the age limit to obtain a CDL under this measure should be raised.

Accordingly, your Committee has amended this bill by:

- (1) Changing the definition of "intrastate driver" to limit it to drivers who are no younger than 19 years; and
- (2) Raising the age limit for obtaining a CDL, with certain restrictions, from 18 years of age to 19 years of age;

Your Committee has further amended this bill by:

- (1) Changing the effective date to July 1, 2012, to facilitate further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1047, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, Sonson, Meyer and Pine.

**SCRep. 1362 Transportation on S.B. No. 1042**

The purpose of this bill is to provide an environmentally friendly strategy for the lighting of Hawaii's streets, highways, and harbors by requiring the Department of Transportation (DOT), to the extent practicable, to comply with county ordinances and standards relating to outdoor lighting for all new installations at Hawaii's airports, harbors, and highways.

The University of Hawaii testified in support of this bill. DOT supported the intent of this measure.

Artificial lighting is increasing on all of the major Hawaiian Islands as metropolitan centers increase. These increases in artificial light, especially from light sources at Hawaii's airports, harbors, and along the highways, now threaten the ability of the telescopes along Mauna Kea and Haleakala to study the night sky. Your Committee finds that DOT's compliance with county lighting ordinances, along with the use of fully-shielded lighting fixtures, will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security. Moreover, these fully-shielded lighting fixtures are environmentally friendly and are currently in use on the H3 freeway.

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. 1042, 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 Har, Luke, Sonson, Meyer and Pine.

**SCRep. 1363 Transportation on S.B. No. 152**

The purpose of this bill is to improve Hawaii's bikeway system by:

- (1) Removing the limitation placed on the Director of Transportation that allows for the earmarking of two percent of federally eligible moneys from the State Highway Fund (Fund) for bikeways;
- (2) Clarifying the use of moneys in the Fund for bicycle lanes, bicycle paths, bicycle routes, and bikeways;
- (3) Specifying that a minimum of two percent of federally eligible moneys, along with any other available Fund moneys, be used for:
  - (A) The establishment of bicycle paths; and
  - (B) The installation of signage and safety devices along bicycle lanes and bicycle routes;
- (4) Requiring that the Department of Transportation (DOT) include representatives of the bicycling community in their decision-making process to determine where to:
  - (A) Establish bicycle lanes, paths, and routes; and
  - (B) Place signage and safety devices along bicycle lanes and bicycle routes;

and
- (5) Requiring any mass transit system to include appropriate accommodations for bicycle lanes, bikeways, bicycle routes, and bicyclists in general.

The Hawaii Bicycling League, Kauai PATH, Kokua Kalihi Valley, and several concerned individuals testified in support of this bill. DOT opposed this bill.

Bicycling has the benefits of lessening traffic congestion, lowering repair and maintenance costs of Hawaii's roadways, and improving the overall air quality of our state, as well as the health of our citizens. While bicycling is fast becoming a favored mode of transportation, especially in light of high fuel costs, there are a number of safety concerns bicyclists face on our roads each day. Ensuring a coordinated and continuous bikeway system, as well as increasing the number of bikeways, bicycle lanes, bicycle paths, and bicycle routes through the use of federal and Fund moneys, will help improve bicycling safety.

While your Committee understands the concerns raised by DOT that this measure reduces some of the flexibility necessary for proper and safe highway design, the benefits of increasing bicycling as a viable mode of transportation deserves further consideration. Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2012, to facilitate further discussion.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 152, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 152, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nishimoto, Sonson, Meyer and Pine.

**SCRep. 1364 Finance on S.B. No. 1260**

The purpose of this bill is to ensure the continuation of emergency and health care services to rural Oahu by appropriating \$950,000 as a grant to Kahuku Hospital to continue its operations, preserve its hospital license, retain its certificate of need and critical access hospital designation, reorganize, and settle its debts.

The Department of Health, Kahuku Hospital, Brigham Young University Hawaii, Healthcare Association of Hawaii, United Public Workers, Polynesian Cultural Center, Hawaii Reserves, 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 S.B. No. 1260, S.D. 2, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1365 Higher Education on S.B. No. 14**

The purpose of this bill is to improve the governance of the University of Hawaii (UH) pursuant to Article X, section 6 of the State Constitution, as amended and approved by voters in 2006, by, among other things:

- (1) Modifying the process of appointing the members of the UH Board of Regents (BOR) by establishing a Candidate Advisory Council (Council) to qualify, screen, and present to the Governor pools of qualified candidates from which the Governor shall appoint BOR members with the consent of the Senate;
- (2) Increasing BOR membership from 12 to 15 members, and requiring a specified number of members to represent different geographic areas;
- (3) Allowing state officers to be eligible for BOR membership;
- (4) Modifying the length of service of each BOR member from four-year terms to no more than two consecutive five-year terms;
- (5) Requiring that at least three months prior to the expiration of the member's first five-year term, the Senate must consider the question of whether to reconfirm the member's position on the BOR; and
- (6) Allowing a BOR member to serve beyond the expiration date of the member's term until the member's successor has been appointed and has been confirmed by the Senate.

The Hawaii Government Employees Association testified in support of this bill. The Senior Policy Advisor to the Governor opposed this measure. UH and the Office of Information Practices offered comments.

Your Committee would like to clarify that the purpose of providing for staggered terms of BOR members is to prevent a large number of members from leaving at the same time. Accordingly, in addition to the provisions already in this bill, this bill has been amended by specifying that current BOR members shall serve their full terms.

Your Committee also wishes to state its intent that if a BOR member with an initial appointment of two years or less is reappointed to another term of five years, the member is still eligible to be reappointed to a second, consecutive five-year term. This bill has been amended to clarify this intent.

This bill has been further amended by:

- (1) Specifying that the Council is wholly exempt from Part I of Chapter 92, Hawaii Revised Statutes, rather than just the Council's meetings; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 14, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 14, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takamine, Takumi and Wakai. (Representatives Ching and Finnegan voted no.)

**SCRep. 1366 Labor & Public Employment on S.B. No. 1281**

The purpose of this bill is to fund salary increases and other cost adjustments authorized under Chapter 89C, Hawaii Revised Statutes, for state officers and employees of agencies excluded from collective bargaining, including the State Ethics Commission, Office of the Auditor, Office of the Legislative Reference Bureau, and Office of the Ombudsman.

The Office of the Ombudsman, Office of the Auditor, Legislative Reference Bureau, Hawaii State Ethics Commission, and Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Legislative employees are currently excluded from collective bargaining. Traditionally, these employees have been awarded salary increases from the Legislature when their counterparts in the executive and judicial branches of government belonging to Collective Bargaining Units (3), (4), and (13) have received pay raises through their negotiations. Your Committee believes that a vehicle for funding these cost items, including salary increases and other cost adjustments, should continue to advance in the Legislature, should funds become available for these salary increases.

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. 1281 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1367 Education/Labor & Public Employment on S.B. No. 686**

The purpose of this bill is to attract, retain, and reward quality and excellence in educational assistants by appropriating funds to the Department of Education (DOE) to implement and maintain a career ladder program for educational assistants. This measure also requires the DOE to report to the Legislature on:

- (1) Class levels and other career ladder enhancements;
- (2) The number of individuals affected by a career ladder program; and
- (3) The cost impact of implementing a career ladder program for educational assistants.

The DOE testified in support of this measure.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 686, 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, Luke, McKelvey, Souki and Meyer.

**SCRep. 1368 Education on S.B. No. 897**

The purpose of this bill is to prepare students for the information technology age by providing a comprehensive project-based and student-centered learning program in which students are responsible for their own learning. Specifically, this bill appropriates funds to be deposited into the Hawaii 3Ts School Technology Laboratories Fund to maintain the Project EAST Program (Program) in existing schools, and expand the Program to schools statewide.

The Department of Business, Economic Development, and Tourism, Department of Education, Department of Education Kauai Complex Area, High Technology Development Corporation, Hawaii State Teachers Association, Economic Development Alliance of Hawaii, Maui Economic Development Board, Inc., Hoike Technology, isisHawaii, Enterprise Honolulu, and numerous concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 897, 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 Bertram, Takai and Takamine.

**SCRep. 1369 Education on S.B. No. 618**

The purpose of this bill is to require the Department of Education (DOE) to establish a program to grant high school diplomas to:

- (1) Veterans of the armed services who did not complete their high school education due to compulsory service in the armed services of the United States during World War II, the Korean Conflict, and Vietnam War; and
- (2) Individuals who did not complete their high school education because of wartime practices such as internment during World War II.

DOE supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 618 and recommends that it pass Second Reading and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Bertram, Takai and Takamine.

**SCRep. 1370 Human Services & Housing on S.B. No. 1447**

The purpose of this bill is to make housekeeping amendments to implement laws relating to the Hawaii Public Housing Authority (HPHA) that were enacted during the Regular Session of 2006.

HPHA testified in support of this bill. The Hawaii Community Development Authority supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Clarifying the provisions relating to the use of the barracks and other facilities at the former Barbers Point Naval Air Station for temporary emergency housing; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1447, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1447, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1371 Human Services & Housing on S.B. No. 1116**

The purpose of this bill is to protect renters by regulating application fees for rental units and requiring landlords to inform prospective tenants of the reason the unit was not offered to them. These provisions apply only to landlords that rent four or more dwelling units.

The Legal Aid Society of Hawaii and a concerned individual testified in support of this bill. The National Association of Residential Property Managers and Hawaii Association of REALTORS opposed this measure.

Your Committee recognizes that application fees for rental units can be detrimental to lower income individuals, particularly if these individuals pay a fee for applying for several rental units. Additionally, a few unscrupulous landlords may take advantage of prospective tenants if these fees are not regulated.

However, your Committee notes the concerns of the opponents of this measure that there are laws and enforcement agencies that provide some protection and that tenants must also share the responsibility of maintaining their finances, as well as reporting deceptive practices to the proper authorities.

Your Committee has amended this bill by:

- (1) Reducing from six months to three months, the period in which a landlord may not charge an application fee more than once to a prospective tenant;
- (2) Specifying that excess application fee charges by a landlord be returned within ten days of rejection of the rental application;
- (3) Allowing a copy of the tenant screening report or credit report to fulfill the notice requirement for landlords when an applicant is rejected because of adverse information;
- (4) Providing that landlords who violate the provisions in this measure are liable to the applicant for the application fee and a civil penalty of up to \$100; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1116, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1116, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Cabanilla and Mizuno.

**SCRep. 1372 Consumer Protection & Commerce on S.B. No. 58**

The purpose of this bill is to provide for the orderly disposition of a licensed dentist's practice in the event of the dentist's unexpected death or incapacity by allowing the executor or administrator of the dentist's estate, or the dentist's legal guardian or authorized representative, to operate the practice for up to one year for the purpose of winding down, transferring, or selling the practice.

Several concerned individuals testified in support of this bill. The Board of Dental Examiners and the Hawaii Dental Association supported this measure with amendments.

The sudden death or incapacitation of a dentist not only affects patients' continuity of care, but also causes the dental practice to rapidly lose value for each day it remains closed. In such situations, the dentist's family may be forced to hurriedly sell the practice before it loses much of its value; the dentist's work staff may suddenly find themselves unemployed; and existing patients may be confused by the abrupt change in the practice's ownership. Your Committee finds that this bill seeks to address these concerns by providing a sufficient transition period for a deceased or incapacitated dentist's practice to be closed, transferred, or sold.

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. 58, 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 Herkes and Thielen.

**SCRep. 1373 Consumer Protection & Commerce on S.B. No. 1654**

The purpose of this bill is to provide a less-expensive, quicker means of resolving condominium disputes by reinstating the Condominium Dispute Resolution Pilot Project (Pilot Project) established by Act 164, Session Laws of Hawaii (SLH) 2004.

The Department of Commerce and Consumer Affairs (DCCA), Hawaii Independent Condominium & Cooperative Owners, Hawaii Legislative Action Committee of the Community Associations Institute, Hawaii Council of Associations of Apartment Owners, and a concerned individual testified in support of this bill.

Your Committee finds that the Pilot Project provided an administrative hearing process under DCCA for disputes failing mediation under section 514A-121.5, Hawaii Revised Statutes (HRS). The Pilot Project, including the mediation process under section 514A-121.5, HRS, was repealed on June 30, 2006, leaving several pending cases unresolved.

Although a similar dispute resolution process was established by Act 277, SLH 2006, that process, scheduled to sunset on June 30, 2009, only applies to condominiums created after July 1, 2006, and governed by chapter 514B, HRS, pursuant to section 514B-21, HRS, unless the condominium owners amend their governing documents pursuant to 514B-23, HRS, and adopt chapter 514B, HRS. This bill reenacts the Pilot Project to provide a condominium dispute resolution process for cases involving condominiums governed by chapter 514A, HRS, including cases pending before DCCA that were dismissed due to the repeal of the Pilot Project.

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. 1654, 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 Herkes and Thielen.

**SCRep. 1374 Consumer Protection & Commerce on S.B. No. 1697**

The purpose of this bill is to implement the original intent of the Contractor Repair Act (Act) by clarifying that persons engaged in the business of selling a dwelling are not subject to the Act.

The Real Estate Commission, Hawaii Association of REALTORS, Subcontractors Association of Hawaii, and Building Industry Association of Hawaii testified in support of this bill.

The Act under Chapter 672E, Hawaii Revised Statutes (HRS), requires notice of and an opportunity to repair a construction defect of a dwelling as a condition precedent to legal action against a contractor. Your Committee finds that the Act currently defines "contractors" subject to the Act to include persons that sell dwellings, which may be interpreted to include real estate brokers and salespersons who are only involved in the sale of a dwelling and not in the business of designing, manufacturing, supplying products for, developing, or constructing a dwelling. This bill amends the definition of "contractor" in Chapter 672E, HRS, to exclude persons solely involved in the sale of a dwelling.

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. 1697, 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 Herkes and Thielen.

**SCRep. 1375 Consumer Protection & Commerce on S.B. No. 795**

The purpose of this bill is to protect users of buildings and facilities throughout the state by:

- (1) Creating a State Building Code Council (Council) to:
  - (a) Establish a comprehensive state building code;
  - (b) Appoint a subcommittee to recommend any necessary or desirable amendments to the model building codes;
  - (c) Review and adopt, as appropriate, new model building codes; and
  - (d) Provide education, technical training, and administrative assistance to implement and enforce the state building code;

and
- (2) Appropriating funds for the operations of the Council.

The State Fire Council, Honolulu Fire Department, State Farm Insurance Companies, Structural Engineers Association of Hawaii, American Institute of Architects-Hawaii State Council, Coalition of Hawaii Engineering and Architectural Professionals, and a concerned individual testified in support of this bill. The Department of Defense supported the intent of this measure. The Disability and Communication Access Board supported this bill with amendments. The Department of Accounting and General Services submitted comments.

The counties currently adopt building codes on independent schedules, resulting in the simultaneous use of several archaic building codes in Hawaii. These older code provisions may not include improvements to implement disaster-resistant building construction standards. As a result, there is a lack of consistent building standards from county to county. A coordinated process to bring the various building codes into compliance with updated standards will improve public safety and promote efficiency in the construction industry.

Your Committee has amended this measure by replacing its entire contents with the provisions of H.B. No. 93, H.D. 2, which:

- (1) Creates a State Building Code Council, establishes a state building code and design standards, and appropriates funds in a manner similar to the provisions of this measure as received by your Committee; and
- (2) Takes effect on 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 795, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 795, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1376 Consumer Protection & Commerce on S.B. No. 990**

The purpose of this measure is to strengthen the authority of the Public Utilities Commission in implementing and maintaining the petroleum industry monitoring, analysis, and reporting program.

Specifically, this measure:

- (1) Adds a new section to chapter 486B, Hawaii Revised Statutes, requiring the Public Utilities Commission to refer to the Attorney General any violations of the chapter that are discovered in the performance of its duties pursuant to chapters 486J and 486H, Hawaii Revised Statutes;
- (2) Adds a new section to chapter 486J, Hawaii Revised Statutes, requiring the Department of Business, Economic Development, and Tourism to use the information provided by the petroleum industry monitoring, analysis, and reporting program to effectuate the purposes of chapters 196 and 125C, Hawaii Revised Statutes, and other relevant laws;
- (3) Adds a new definition to section 486J-1, Hawaii Revised Statutes, for "major fuel user", distinguishing it from a "distributor", and amends four other definitions;
- (4) Amends sections 486J-3 and 486J-4, Hawaii Revised Statutes, to strengthen the Public Utilities Commission's authority to require, and not merely request, further information from persons in the petroleum industry;
- (5) Amends section 486J-11, Hawaii Revised Statutes, by:
  - (A) Allowing the Public Utilities Commission to examine and investigate any distributor of petroleum products with regard to its operating costs and expenses, the value of its property and assets, the amount and distribution of its income, all its financial transactions, and its relations to other persons and businesses;
  - (B) Granting the Public Utilities Commission the power to administer oaths, compel the attendance of and examine witnesses, and punish for contempt; and
  - (C) Allowing the Public Utilities Commission to use its discretion in determining the specific information that any person in the petroleum industry must submit under chapter 486J, Hawaii Revised Statutes; and
- (6) Makes an unspecified appropriation out of the general funds and into the petroleum industry monitoring, analysis, and reporting special fund and unspecified appropriations from the latter fund for:
  - (A) Staff positions in the Public Utilities Commission to carry out the purposes of the special fund; and
  - (B) Staff positions for the Department of Business, Economic Development, and Tourism to perform its duties pursuant to the new section 486J-A.

Your Committee has received testimony in support of this measure from the Public Utilities Commission. The Department of Business, Economic Development, and Tourism submitted testimony supporting the intent of this measure, and the Western States Petroleum Association also submitted comments.

Act 78, Session Laws of Hawaii 2006, established the petroleum industry monitoring, analysis, and reporting program. The program is intended to provide greater transparency in the operations of all participants in the petroleum industry in the State and provide useful information to governmental agencies overseeing the industry to ensure compliance with all relevant laws, all for the ultimate benefit of the State's petroleum consumers. However, Act 78 did not provide sufficient funding to the Public Utilities Commission to allow it to establish and implement the petroleum industry monitoring program.

Your Committee believes that this measure not only makes the necessary appropriations for the petroleum industry monitoring program, but further strengthens the authority of the Public Utilities Commission in its oversight responsibilities of the petroleum industry. This measure further requires the Department of Business, Economic Development, and Tourism to use the data produced by the petroleum industry monitoring program to effectuate the purposes of chapter 196 and chapter 125C, Hawaii Revised Statutes, relating to energy resources planning and preparedness in the event of any shortages in energy resources.

Your Committee has amended this measure by:

- (1) Amending section 486J-3, Hawaii Revised Statutes, to require not only distributors, but also major fuel users, to submit certified statements relating to their petroleum operations, including any revenues, expenses, profits and losses, and other financial information required by the Public Utilities Commission;
- (2) Amending section 486J-4.5, Hawaii Revised Statutes, by deleting the requirement that refiners report the total number of wholesale gallons of unleaded and premium gasoline sold at prices that exceeded the maximum pre-tax wholesale price set by section 486H-13, Hawaii Revised Statutes, since the maximum pre-tax gasoline limits have been suspended by Act 78, Session Laws of Hawaii 2006;
- (3) Amending section 486J-8, Hawaii Revised Statutes, to ensure that, while the Public Utilities Commission is required to publicly report relevant information within thirty days or as soon as practically and technologically feasible, the confidentiality requirements of section 486J-6, Hawaii Revised Statutes, are maintained; and



- (4) Making conforming amendments to sections 486J-6 and 486J-8, Hawaii Revised Statutes.

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. 990, 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. 990, S.D. 2, H.D. 2.

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

**SCRep. 1377 Health on S.B. No. 1675**

The purpose of this measure is to provide immunity from liability to one who administers an automated external defibrillator in a good faith attempt to resuscitate another person in immediate danger of loss of life.

Specifically, the bill eliminates training in an automated external defibrillator program administered by a physician as a prerequisite for relief from civil liability for a person who administers an automated external defibrillator in a life-saving situation. This bill also makes the technical change of replacing "automatic" with "automated" throughout the statutory provisions.

Your Committee received testimony in support of this measure from the Department of Health and the American Heart Association.

Your Committee finds that immediate response to a sudden cardiac arrest is often the difference between life and death. The development of automated external defibrillators provides an opportunity to speed response time and shorten the time to defibrillation by allowing first responders and the public to use them. Your Committee also finds that providing immunity from liability to persons who use an automated external defibrillator in an emergency will encourage more widespread use of these life-saving devices, and will lead to greater survival from cardiac arrest in Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, 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 Cabanilla and Takai.

**SCRep. 1378 Health on S.B. No. 1676**

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to form a captive insurance company to insure itself against medical malpractice and other liabilities.

Furthermore, this measure appropriates unspecified amounts of funds in both fiscal years 2007-2008 and 2008-2009 to establish the captive insurance company.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation and the Hawaii Medical Association. Comments on the measure were received from the Department of Commerce and Consumer Affairs.

Your Committee finds that it is important as well as economically feasible for the Hawaii Health Systems Corporation to establish its own captive insurance company to obtain predictability, stability, and affordability in its insurance program. Additionally, the cost and coverage limits for hospital malpractice coverage is such that coverage by a captive insurance company is almost the only alternative currently available for the corporation.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 1379 Health on S.B. No. 820**

The purpose of this measure is to increase the range of options in residential alternatives available to persons with developmental disabilities or mental retardation.

Specifically, this measure extends the timeframe for the State Council on Developmental Disabilities to plan for and implement services for that segment of the population to live in the least restrictive, individually appropriate residential environment of their choice. In addition, the measure requires the State Council on Developmental Disabilities to submit a progress report and a final report to the Legislature in 2008 and 2009, respectively.

The State Council on Developmental Disabilities and the Hawaii Disability Rights Center submitted testimony in support of this measure.

Your Committee finds that persons with developmental disabilities or mental retardation, with support and consideration for their safety and well-being, can be successful in living independently in the community and not only in an adult residential care home, adult foster home, or domiciliary home.

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. 820, 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 and Takai.

**SCRep. 1380 Health on S.B. No. 11**

The purpose of this bill is to stem the rising cost of health care by exempting physician services, hospital charges, and rehabilitation services from the county surcharge on excise tax.

The Department of Taxation, Mayor of the County of Hawaii, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Chapter of the American College of Surgeons, Hawaii Society of Clinical Oncology, and several concerned individuals supported this bill. The Hawaii Long Term Care Association supported the intent of this measure. The Tax Foundation of Hawaii and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Including nursing homes and facilities among the health care services exempt from the county surcharge on excise tax; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 11, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1381 Labor & Public Employment on S.B. No. 1381**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (1) and their excluded counterparts.

The Office of Collective Bargaining testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (1) will eventually produce a settlement.

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. 1381, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1382 Labor & Public Employment on S.B. No. 1382**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (2) and their excluded counterparts.

The Office of Collective Bargaining, the Hawaii Government Employees Association (HGEA), and the HGEA Managerial and Confidential Employees Chapter testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (2) will eventually produce a settlement.

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. 1382, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1383 Labor & Public Employment on S.B. No. 1383**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (3) and their excluded counterparts.

The Office of Collective Bargaining testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (3) will eventually produce a settlement.

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. 1383, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1384 Labor & Public Employment on S.B. No. 1384**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (4) and their excluded counterparts.

The Office of Collective Bargaining testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (4) will eventually produce a settlement.

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. 1384, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1385 Labor & Public Employment on S.B. No. 1385**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (5) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii State Teachers Association testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (5) will eventually produce a settlement.

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. 1385, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1386 Labor & Public Employment on S.B. No. 1386**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (6) and their excluded counterparts.

The Office of Collective Bargaining testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (6) will eventually produce a settlement.

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. 1386, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1387 Labor & Public Employment on S.B. No. 1387**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (8) and their excluded counterparts.

The Office of Collective Bargaining testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (8) will eventually produce a settlement.

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. 1387, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1388 Labor & Public Employment on S.B. No. 1388**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (9) and their excluded counterparts.

The Office of Collective Bargaining testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (9) will eventually produce a settlement.

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. 1388, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1389 Labor & Public Employment on S.B. No. 1389**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (10) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (10) will eventually produce a settlement.

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. 1389, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1390 Labor & Public Employment on S.B. No. 1390**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (11) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (11) will eventually produce a settlement.

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. 1390, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1391 Agriculture on S.B. No. 1988**

The purpose of this bill is to support the honey industry in Hawaii by preventing misleading labeling of honey-type products through the use of identity statement requirements for labeling and advertising of pure natural honey and related products.

The Hawaii Farm Bureau Federation supported the intent of this bill. The Department of Agriculture did not support this bill.

In light of recommendations received during the public hearing, your Committee has amended this measure by deleting its contents and inserting provisions that establish revised labeling requirements for the identity statement used for labeling or advertising honey products. As amended, this bill establishes labeling requirements for the percentage of honey that was produced in Hawaii and authorizes certification of the grades of honey. Among other things, this bill:

- (1) Allows certain phrases to be used for honey products consisting entirely of Hawaii-produced honey;
- (2) Requires certain phrases and information to be displayed for honey products consisting of a blend of Hawaii-produced and non-Hawaii-produced honey;
- (3) Allows a listing of the geographic origins of Hawaii-produced honeys to be shown on the label and establishes requirements for the list if the list is used;
- (4) Requires a listing of the geographic origins of non-Hawaii-produced honey included in a blend to be shown on the label and establishes requirements for the list;
- (5) Establishes violations of the labeling requirements; and
- (6) Requires apiculturists, manufacturers, or other persons who package honey to:
  - (A) Maintain records on the volume and geographic origin of honeys produced and sold and any other records required by DOA; and
  - (B) Provide authorized DOA employees access to these records during normal business hours.

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. 1988, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1988, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Berg, Hanohano, Manahan and Wakai.

**SCRep. 1392 Agriculture on S.B. No. 662**

The purpose of this bill is to provide incentives for the designation of important agricultural lands (IALs) by allowing the Chairperson of the Board of Agriculture to guarantee loans made by commercial lenders to agricultural producers for the purpose of developing and implementing agricultural projects located on IALs.

Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., supported this bill. The Department of Agriculture, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., supported this bill with amendments. The Department of Budget and Finance and the Land Use Research Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the loan guaranty may be up to 85 percent of the outstanding principal amount of the loan; 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. 662, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 662, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1393 Agriculture/Economic Development & Business Concerns on S.B. No. 1221**

The purpose of this bill is to support Hawaii's agricultural industry and provide incentives for the designation of important agricultural lands (IALs) by establishing the Important Agricultural Land Agricultural Business Tax Credit (Tax Credit).

The Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., supported this bill. The Agribusiness Development Corporation (ADC) supported the intent of this bill. A concerned individual opposed this measure. The Department of Agriculture (DOA), Department of Taxation (DOTAX), and Tax Foundation of Hawaii submitted comments.

Your Committees recognize that concerns were raised during the public hearing regarding the negative fiscal implications of the Tax Credit on state tax revenue. DOTAX has released estimates on the fiscal impact of the Tax Credit. Your Committees respectfully request your Committee on Finance to consult with DOTAX to determine the methodologies used by DOTAX in calculating the estimated impact of the Tax Credit on state tax revenue collections.

Your Committees have amended this measure by:

- (1) Making DOA, instead of ADC, responsible for certain administrative responsibilities for the Tax Credit, including submitting an annual report evaluating the effectiveness of the Tax Credit;
- (2) Appropriating funds to DOA, instead of ADC, for costs to administer the Tax Credit;
- (3) Narrowing the scope of the Tax Credit by deleting feasibility studies, regulatory processing, and certain legal and accounting services from the definition of "qualified agricultural costs";
- (4) Reducing the amount of the Tax Credit from 100 percent to 50 percent of qualified agricultural costs by revising the tiered schedule for claiming the Tax Credit as follows:
  - (A) 25 percent of the qualified agricultural costs, up to an unspecified maximum, in the year the qualified agricultural costs are incurred;
  - (B) 15 percent of the qualified agricultural costs, up to an unspecified maximum, in the year following the year in which the qualified agricultural costs are incurred; and

- (C) 10 percent of the qualified agricultural costs, up to an unspecified maximum, in the second year following the year in which the qualified agricultural costs are incurred;

and

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

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1221, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1394 Agriculture/Economic Development & Business Concerns on S.B. No. 885**

The purpose of this bill is to expand the scope of the existing Vocational Agriculture Education Program by, among other things, requiring the Department of Education (DOE) to:

- (1) Establish an Agricultural and Culinary Education Program (ACEP) that integrates culinary arts with the school lunch program and the Agricultural Education Program (AEP) to teach students healthy eating habits and encourage culinary arts, farming, diversified agriculture, and related industries such as market development and science and technology, as career options; and
- (2) Submit progress reports and funding requests to the 2008 and 2009 Legislatures.

The Department of Agriculture (DOA), DOE, University of Hawaii, Workforce Development Council, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, and Hawaii Crop Improvement Association supported this bill.

Your Committees find that the programs contained in this bill are important in ensuring the availability of a skilled workforce for Hawaii's agricultural industry and in promoting good nutritional health for our youth. Your Committees note that this measure provides a definition for the term "agriculture" that explicitly includes landscaping, aquaculture, culinary arts, and related areas such as market development and science and technology. Furthermore, this measure provides much-needed support for educators and administrators to implement the programs and promotes life-long learning, including college-level education programs in agriculture.

Your Committees encourage DOE, DOA, and other agencies involved to continue their efforts in promoting active participation in, and implementation of, the programs contained in this bill.

Your Committees have amended this measure by:

- (1) Revising the reporting requirements by requiring that:
  - (A) Both reports contain DOE's activities towards implementation of the AEP;
  - (B) Both reports contain any requests for funding to further implement the AEP and the ACEP; and
  - (C) The initial report include a description of DOE activities toward implementing Act 233, Session Laws of Hawaii 2006, which established the VAEP;

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 Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 885, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 885, S.D. 2, H.D. 2.

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

**SCRep. 1395 Health/Human Services & Housing on S.B. No. 973**

The purpose of this bill is to ensure continued community-based primary care for people who are uninsured, underinsured, or medicaid recipients by:

- (1) Creating a process whereby federally qualified health centers and rural health centers will receive supplemental Medicaid payments;
- (2) Providing for prospective payment system rates to be adjusted for any adjustment of the scope of services provided by a participating federally qualified health center or rural health center;
- (3) Specifying services that are eligible for a prospective payment system reimbursement;
- (4) Specifying a time period for the filing of reports for final settlement and payment for the services provided;
- (5) Establishing parameters for the submission of a prospective payment system rate adjustment;
- (6) Requiring the Department of Health (DOH) to provide resources to nonprofit, community-based health care providers for direct medical care for the uninsured; and
- (7) Appropriating funds for DOH to provide direct medical care to the uninsured through federally qualified community health centers and rural health centers.

The Hawaii Primary Care Association, Healthcare Association of Hawaii, Ho'ola Lahui Hawai'i, Kalihi-Palama Health Center, Moloka'i Community Health Center, Kokua Kalihi Valley, Hamakua Health Center, Inc., Waikiki Health Center, Community Clinic of Maui, West Hawaii Community Health Center, Inc., Waianae Coast Comprehensive Health Center, and several individuals testified in support of this bill. The Department of Human Services (DHS) commented on this measure.

Your Committees have amended this bill by:

- (1) Clarifying that reconciliation of payments to a federally qualified health center or rural health center applies to managed care supplemental payments;
- (2) Requiring DHS to repay the federal share of any overpayment to a federally qualified health center or rural health center within sixty days of the discovery of an overpayment;
- (3) Stipulating that an alternative supplemental managed care payment methodology make any federally qualified health center or rural health center whole as required under the Benefits Improvement and Protection Act;
- (4) Inserting language establishing a method of calculating a net change in the federally qualified health center's or rural health center's rate;
- (5) Allowing DHS to disallow a percentage of the net change to account for cost increases and decreases during a reporting period rather than basing this percentage on costs increases associated with normal inflation increases;
- (6) Stipulating that changes in operating costs due to capital expenditures associated with any modification of the scope of service that results in a change in the amount, duration, or scope of service shall be deemed as a change in the scope of services provided by a federally qualified or rural health center;
- (7) Allowing services eligible for prospective payment system reimbursement that are within the scope of services provided by the State under its fee-for-service Medicaid program and its health QUEST program to be adjusted from time to time;
- (8) Defining "visit" to mean any encounter between a federally qualified health center or rural health center patient and a health professional as identified in the State Plan as amended from time to time;
- (9) Eliminating a visit to an optometrist as a visit that qualifies as a multiple health care encounter;
- (10) Specifying that if a patient visits two health professionals on the same day that results in additional diagnosis or treatment, the two visits constitute two separate visits and may be billed as such on two separate claims with remarks on both claims explaining the reason for both visits;
- (11) Stipulating that all payments owed by DHS be made on a timely basis rather than in a specific time period;
- (12) Deleting the exemption provided to DHS regarding the reimbursement of services that do not qualify for Medicare matching funds or reimbursements;
- (13) Appropriating funds for the implementation of a prospective payment system by DHS;
- (14) Changing the effective date to July 1, 2007; and
- (15) 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 & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 973, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 973, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1396 Health/Human Services & Housing on S.B. No. 1918**

The purpose of this measure is to expand health care coverage for children in the State.

Specifically, this measure will provide:

- (1) Continuous, quality health care services to uninsured newborn children between one and thirty-one days of age;
- (2) Health care coverage to certain children between thirty-one days to eighteen years of age through a public-private partnership between the Department of Human Services and a managed care plan;
- (3) Access to free medical care for certain children nineteen years of age or younger whose family income is at or below three hundred per cent of the federal poverty level;
- (4) Medical assistance under QUEST-Net at no charge to children nineteen years or younger whose family income is at or above two hundred fifty per cent and does not exceed three hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits; and
- (5) Funding for the foregoing provisions.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, the Hawaii Medical Services Association, Hawaii Pacific Health, and the Hawaii Family Forum. The Department of Human Services offered comments.

Upon further consideration, your Committees have amended this measure by:

- (1) Adding background information in section 1;
- (2) Deleting the new section 346- , Hawaii Revised Statutes, that permanently establishes the Hawaii infant care program and by creating a new three-year Hawaii infant health care pilot program;
- (3) Dividing the three-year pilot program into two pilot programs:
  - (A) The Hawaii infant health care program for newborn children who are one day, but not more than thirty days, of age; and
  - (B) The Hawaii children's health care program for certain children who are at least thirty-one days but younger than nineteen years of age;
- (4) Clarifying that it is not the intention of the Legislature to discourage employers from offering to pay or from paying for dependent coverage for their employees or to supplant employer-sponsored dependent coverage plans;

- (5) Requiring the designated contractor, in addition to the Department of Human Services, to directly reimburse providers for services, subject to the general fund appropriations available;
- (6) Substituting "managed care plans" for "mutual benefit society" to clarify that the State may partner with one or more managed care plans;
- (7) Clarifying that children already enrolled in a managed care plan's children's plan are eligible to enroll in the Hawaii children's health care program without being required to be uninsured for the preceding six months;
- (8) Clarifying that the program under QUEST is the "Med-QUEST division health care coverage program";
- (9) Allowing uninsured newborns enrolled in the Hawaii infant health care program to enroll in the Hawaii children's health care program without being required to be uninsured for the preceding six months;
- (10) Deleting the enrollment caps on the Hawaii children's health care program for fiscal years 2007-2008, 2008-2009, and 2009-2010;
- (11) Adding new appropriations for:
  - (A) Health care coverage to certain children under nineteen years of age whose family income is at or below three hundred per cent of the federal poverty level for Hawaii who are otherwise eligible for the State's medicaid programs but are ineligible due to federal rules or various compacts pursuant to section 346-59.4, Hawaii Revised Statutes, of \$109,310 and \$218,620 for fiscal years 2007-2008 and 2008-2009, respectively;
  - (B) Three full-time equivalent permanent eligibility worker I positions within the Department of Human Services to provide services for the Hawaii infant health care program and certain children pursuant to section 346-59.4, Hawaii Revised Statutes, of \$77,760 for each of fiscal years 2007-2008 and 2008-2009; and
  - (C) Purchases of computer equipment, office furniture, and other office supplies and equipment necessary to implement the Hawaii infant health care program and the provision of services to certain children pursuant to section 346-59.4, Hawaii Revised Statutes, of \$100,000 for fiscal year 2007-2008 only;
- (12) Substituting the unspecified appropriations amounts for:
  - (A) The Hawaii infant health care program of \$250,000 and \$500,000 for fiscal years 2007-2008 and 2008-2009, respectively;
  - (B) The Hawaii children's health care program with \$535,500 and \$1,071,000 for fiscal years 2007-2008 and 2008-2009, respectively; and
  - (C) Medical services under QUEST-Net with \$428,500 and \$857,000 for fiscal years 2007-2008 and 2008-2009, respectively;
- (13) Changing the effective date to July 1, 2007 and clarifying that the Act shall be repealed on June 30, 2010; provided that section 4 of the measure amending section 346-59.4, Hawaii Revised Statutes, shall be reenacted in the form that it read on June 30, 2007; and
- (14) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1918, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1918, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai, Tokioka and Ward.

**SCRep. 1397 Legislative Management on S.B. No. 1083**

The purpose of this bill is to simplify video broadcasts of legislative proceedings by appropriating an unspecified sum to install permanent wiring for all State Capitol conference rooms used for public hearings, the Capitol auditorium, and both legislative chambers.

The League of Women Voters of Hawaii testified in support of this bill. Olelo Community Television supported the intent of this measure.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1083, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1083, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1398 Labor & Public Employment on S.B. No. 1380**

The purpose of this bill is to allow the Board of Trustees of the Employer-Union Health Benefits Trust Fund (EUTF) to better manage the EUTF by providing an appropriate, cost-neutral adjustment of the base monthly contributions for retiree benefit plans, in the event the EUTF Board of Trustees adopts a revised rate structure for its retiree benefit plans.

The EUTF and Department of Budget and Finance testified in support of this bill.

Your Committee finds that allowing the public employers' base monthly contributions to be adjusted to reflect pending or future changes in the retiree rate structure will eliminate the potential for confusion and the overpayment or underpayment of premiums that might occur under the current system whenever the Board of Trustees of the EUTF amends the rate structure of its retiree health benefits plan.

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. 1380 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1399 Labor & Public Employment on S.B. No. 1391**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (13) and their excluded counterparts.

The Office of Collective Bargaining testified in support of this bill.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding this collective bargaining cost item should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for unit (13) will eventually produce a settlement.

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. 1391, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1400 Labor & Public Employment on S.B. No. 1833**

The purpose of this bill is to modify the provisions of the Hawaii Family Leave Act by providing the employee - not the employer - with the option of substituting accrued paid leave, such as vacation, personal, or paid family leave, for any part of the four-week period allowed for family leave. Currently, family leave may consist of paid leave, unpaid leave, or a combination of paid and unpaid leave.

The Hawaii State Teachers Association, International Association of Machinists and AeroSpace Workers, Hawaii Government Employees Association, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, National Association of Government Employees, Hawaii State AFL-CIO, Office of Hawaiian Affairs, Association of Flight Attendants, and a concerned individual testified in support of this bill. The Department of Labor and Industrial Relations, Retail Merchants of Hawaii, National Federation of Independent Business, and The Chamber of Commerce of Hawaii opposed this measure.

A growing number of employees are taking family leave to care for elderly family members and loved ones. Such care often necessitates the substitution of other types of leave, including vacation leave, when the amount of allowed family leave is depleted. Your Committee believes that the manner in which family leave is taken should be a decision that is left to the employee and that an employer should not force an employee to exhaust the employee's accrued vacation leave to care for a family member.

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. 1833, 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. (Representative Pine voted no.)

**SCRep. 1401 Labor & Public Employment on S.B. No. 1284**

The purpose of this bill is to address the Employees' Retirement System's (ERS) ability to eliminate its unfunded liability. Specifically, this bill:

- (1) Increases the state and county contributions to the ERS for all their employees;
- (2) Repeals the provision allowing the employer contribution rates to be reduced even if the period required to amortize the unfunded actuarial liability falls below 25 years; and
- (3) Allows the ERS Board of Trustees to adopt actuarial recommendations for the salary scale assumptions.

The Hawaii Government Employees Association and Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance and Board of Trustees of the ERS testified in support of the intent of this measure.

Currently, the unfunded liability of the ERS stands at \$5.1 billion dollars. Moreover, the recent actuarial report on the ERS found that, at current benefit levels and employer contribution rates, it will take approximately 43 years to amortize the unfunded liability. In addition, the current statutory salary scale assumptions of approximately four percent fall below actual salary scale assumptions.

Your Committee has amended this bill by changing its effective date to July 1, 2059, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1284, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1402 Labor & Public Employment on S.B. No. 1926**

The purpose of this bill is to strengthen the Whistleblowers' Protection Act by:

- (1) Providing additional protections to public employees who report or are about to report to a public employer or public body:
  - (A) Law violations;
  - (B) Actions by a public employer or public employee that are economically wasteful or involved gross misconduct, incompetence, or inefficiency; and
  - (C) Conditions that may significantly threaten the health or safety of the public or of the public employee;
- (2) Allowing a public employee to bring a civil action for punitive damages for retaliations;
- (3) Giving enforcement jurisdiction over whistleblower protection to the Department of Labor and Industrial Relations (DLIR); and
- (4) Giving enforcement jurisdiction over whistleblower protection to the Department of the Attorney General (AG) if DLIR is the public employer against which a complaint is made.

The Hawaii Government Employees Association, ILWU Local 142, Hawaii State Teachers Association, The League of Women Voters of Hawaii, and an individual testified in support of this bill. The AG testified in opposition to this measure. DLIR submitted comments on this bill.



The Whistleblowers' Protection Act was enacted to protect employees who report violations of federal, state, and local laws, regulations, or any other illegal activity performed by an employer. Your Committee finds that this measure could result in more efficient and ethical government operations since employees are more apt to come forward and report problems if they are protected for doing so.

While your Committee understands the concerns raised by the AG, the importance of this matter warrants further consideration. Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1926, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1926, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1403 Labor & Public Employment on S.B. No. 1933**

The purpose of this bill is to provide comprehensive support for public education initiatives by:

- (1) Appropriating funds for various teacher preparation, professional development, research, and assistance programs;
- (2) Making loans provided under the Hawaii Educator Loan Program eligible for loan forgiveness; and
- (3) Appropriating funds to improve the academic achievement of students in math and science.

The Department of Education, University of Hawaii (UH), State Council on Developmental Disabilities, the Faculty Senate of the UH College of Education, Center on Disability Studies, Hawaii State Teachers Association, and a concerned individual supported this bill.

Your Committee finds that the comprehensive funding measures contained in this bill will help to ensure that our students receive the highest-quality education during their formative years. Our schools are completely dependent on the skills and abilities of the teachers who form the core of Hawaii's school system. To improve teacher education, retention, and recruitment, this bill contains funding to increase teacher education capacity, support the Center on Disability Studies, increase mentor teachers, and support special education faculty. This measure also reinforces the importance of math and science through funding for critical math textbooks and materials and professional development for math teachers.

Your Committee finds that the funding provided in this bill will help students fulfill the highest expectations and provide a foundation for the future leaders of our 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. 1933, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1404 Labor & Public Employment on S.B. No. 69**

The purpose of this bill is to improve the quality of health care for all of Hawaii's residents by requiring the development and maintenance of a secure statewide comprehensive health care workforce map and database on the supply, demand, and distribution of health care workers in Hawaii, including projected health care workforce shortages through 2020 and plans to reduce these shortages.

The Hawaii Medical Association, Hawaii Pacific Health, and a concerned individual testified in support of this bill. The Department of Health and Department of Human Services supported the intent of this measure.

Hawaii is currently experiencing a shortage of health care workers, particularly on the Neighbor Islands. Your Committee finds that the development of a map and database to identify areas of need for health care workers is an important first step in solving this public health problem.

Your Committee has amended this bill by:

- (1) Inserting language in the purpose section of this bill that reiterates the Legislature's belief that health care worker shortage must be looked at as a long-term problem and that development of solutions to this problem is critical to the health and welfare of the people of Hawaii;
- (2) Specifying the John A. Burns School of Medicine (JABSOM) as the responsible agency for the development and maintenance of the statewide comprehensive health care workforce map and database;
- (3) Appropriating \$500,000 out of the State Health Planning and Development Agency Special Fund, rather than a general fund appropriation, for JABSOM to develop and maintain the statewide comprehensive health care workforce map and database; and
- (4) Specifying the University of Hawaii as the expending agency; 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. 69, 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. 69, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1405 Labor & Public Employment on S.B. No. 1365**

The purpose of this bill is to increase the levels of capital available to fuel the innovation sector of Hawaii's economy while maintaining prudent fiscal policy by:

- (1) Requiring, as of January 1, 2008, that the Employees' Retirement System (ERS) must determine whether any available Hawaii private placements are of equal risk and return and give preference to the Hawaii investments when ERS considers any new out-of-state private placements;
- (2) Capping ERS investments in Hawaii private placements at three percent of system funds; and

- (3) Appropriating funds to enhance the ability of the Office of Technology Transfer and Economic Development of the University of Hawaii (OTTED) to increase commercialization of discoveries at the University by forming partnerships with qualified and experienced private sector entities, with OTTED as the expending agency.

The Governor, Department of Business, Economic Development and Tourism (DBEDT), University of Hawaii System, Pukoa Scientific, LLC, High Technology Development Corporation, and Vantage Counsel LLC testified in support of this bill. The Hawaii Strategic Development Corporation supported the intent of this measure. The ERS Board of Trustees and Department of Budget and Finance provided comments.

Investment in technology and the emergence of innovation sector companies such as Hawaii Biotech and Hoku Scientific, as well as investments in new innovative technology efforts, such as the Music and Enterprise Learning Experience Program for the development of Hawaii's music artists and industry, are some ways in which Hawaii can expand its economy. This bill provides a means of financing that is required to grow Hawaii's emerging innovation companies and allow them to remain in Hawaii.

However, this is a complex issue. Serious concerns regarding the method of financing and other means used in this measure to achieve the goal of developing Hawaii's innovation economy have been raised. While your Committee believes these goals to be worthwhile, it is questionable whether the method used to fund the development of Hawaii's innovation economy will achieve this goal. Accordingly, your Committee has amended this bill by:

- (1) Deleting the requirement that, as of January 1, 2008, the ERS determine whether any available Hawaii private placements are of equal risk and return and give preference to the Hawaii investments when ERS considers any new out-of-state private placements;
- (2) Inserting language that requires ERS to consider the allocation of an unspecified percentage of ERS funds for Hawaii venture capital investments, unless it is not prudent to do so;
- (3) Allowing the ERS to contract with one or more management companies to manage and invest these moneys;
- (4) Allowing the ERS to enter into contracts for the provision of investment advice or other services that ERS Board of Trustees deems reasonable and necessary to fulfill its duties;
- (5) Deleting the three percent cap of system funds on ERS investments in Hawaii private placements; and
- (6) Replacing OTTED with DBEDT as the expending agencies for the funds appropriated to commercialize discoveries at the University of Hawaii.

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. 1365, 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. 1365, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1406 Labor & Public Employment on S.B. No. 1636**

The purpose of this bill is to promote drug-free workplaces by allowing tests used for forensic testing as a workplace testing device and approved by the Director of Health to be administered for pre-employment drug testing. This bill also provides for:

- (1) The use of screening tests as directed by the United States Food and Drug Administration (FDA) package insert or, in its absence, the insert provided by the FDA-approved facility that manufactured the screening test;
- (2) Employers to test employment applicants;
- (3) Unions to test members; and
- (4) Manufacturers to apply to the Department of Health (DOH) for interim approval while seeking FDA approval.

Emerald Bay Consulting, LLC; Branam Medical Corporation; Pacific Resource Partnership; Kapolei Property Development, LLC; General Contractors Association of Hawaii; Hawaii Carpenters Union, Local 745; Hidano Construction, Inc.; S&M Sakamoto, Inc.; Waiawa Ridge Development, LLC; Ralph S. Inouye Co., Ltd.; Castle & Cook Homes Hawaii, Inc.; and Building Industry Association of Hawaii testified in support of this bill. Straub Doctors on Call supported the intent of this measure. DOH and the Scientific Director of the Toxicology Department at Clinical Laboratories of Hawaii testified in opposition to this bill. Diagnostic Laboratory Services, Inc., submitted comments.

Drug use, especially the use of "crystal meth", is a major problem facing Hawaii. In particular, employers are discovering that substance abuse is a growing problem in the workplace that contributes to an impaired workforce resulting in work quality issues. According to Pacific Resources Partnership, it has been estimated that drug use in the construction industry can cost the industry \$50,000 per individual drug user. In an effort to promote drug-free environments, many employers require prospective employees to be subjected to substance abuse screening prior to employment. However, these tests can be costly and difficult to schedule since only a few laboratories conduct them. With the growing popularity of oral fluid drug screen on the West Coast, your Committee finds that the use of these devices in Hawaii may provide a cost effective way for employers to provide drug screening of potential employees.

While these tests may be useful in providing a cost-effective way for employers to provide drug tests to their employees, your Committee recognizes that such tests are not infallible and may result in false positives. Since these tests are relatively new, confirmatory testing for these false positive results currently do not exist. Your Committee also understands concerns raised that oral fluid drug screens lack the same accuracy as urine screens and may lead to confidentiality concerns, stigmatizing the tested individual should the oral fluid test result in a false positive. Accordingly, your Committee has amended this measure by:

- (1) Removing the requirement that substance abuse on-site screening tests be used for pre-employment screening; and
- (2) Allowing a confirmatory urine test to be conducted should a substance abuse on-site screening test using oral fluids produce a positive result.

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. 1636, 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. 1636, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1407 Economic Development & Business Concerns/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 896**

The purpose of this bill is to support the growth of a life sciences and technology industry in Hawaii by appropriating funds for the High Technology Development Corporation (HTDC) to enter into a lease and guaranty for, and to plan and operate a technology incubator and innovation center for life sciences start-up companies in Kakaako adjacent to the University of Hawaii John A. Burns School of Medicine (UH JABSOM).

The Department of Business, Economic Development, and Tourism, UH JABSOM, UH Office of Technology Transfer and Economic Development (OTTED), High Technology Development Corporation, Hawaii Community Development Authority, Pacific Resource Partnership, Cardax Pharmaceuticals, Hawaii Science and Technology Council, Phase 3 Properties, KUD International, Kamehameha Schools, and Honolulu Seawater Air Conditioning, LLC, supported this bill.

Your Committees find that the majority of the inventions that are brought to the UH OTTED for assistance in commercialization come from the life sciences, or have application in the biotech fields. There is a critical need for affordable wet lab space in Honolulu for start-up companies that will take these promising new technologies into the commercial sector. This bill will make that space available to these companies and will attract other life science and biotech entrepreneurs.

HTDC noted in testimony that it may be preferable to include the appropriation in the bill as line items in each fiscal year of the 2007-2009 biennium budget. Your Committees respectfully request the Committee on Finance to which this bill is referred, to examine this alternative.

Your Committees have amended this bill by:

- (1) Deleting the sections requiring HTDC and the developers to consider various means of reducing the cost to the State;
- (2) Removing references to a guaranty;
- (3) Specifying that the appropriations may be expended on initial development, planning, transitional, and operational costs of the technology incubator and innovation center;
- (4) Requiring HTDC to submit an annual progress report to the Legislature on its plans, agreements, expenditures, and other activities under the Act for the duration of the lease agreement; 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 Economic Development & Business Concerns and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 896, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 896, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Morita, Saiki and Thielen.

**SCRep. 1408 Economic Development & Business Concerns on S.B. No. 323**

The purpose of this bill is to improve the ability of the High Technology Development Corporation (HTDC) and the High Technology Innovation Corporation (HTIC) to facilitate growth of Hawaii's high technology industry by:

- (1) Making an appropriation to continue current levels of funding for the Hawaii Small Business Innovation Research Grant and Hawaii Small Business Technology Transfer Grant Programs, which help small high technology businesses to compete more successfully for and obtain federal research and development funding;
- (2) Removing the \$3,000,000 ceiling from the High Technology Special Fund (Special Fund);
- (3) Providing that all HTDC general administrative and fiscal positions must only be funded with general funds and appropriating general funds for these positions; and
- (4) Making a housekeeping amendment specifically allowing the HTIC to establish bank accounts in both in-state and out-of-state locations.

HTDC, the American Society of Civil Engineers, Hawaii Aquaculture Association, Technical Research Associates, Inc., Ambient Micro, LLC, Cardax Pharmaceuticals, and a concerned individual supported this bill. The Department of Budget and Finance opposed the bill in part.

Your Committee heard testimony that one of the purposes of this bill is to reinstate general funds for the administrative and fiscal positions of HTDC as originally intended by the Legislature. These positions are presently being funded by the fees collected in the operation of HTDC's incubators.

Your Committee has amended this bill by:

- (1) Reinstating the \$3,000,000 cap on the Special Fund, which does not affect HTDC's current operations; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 323, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 323, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Manahan and Ching.

**SCRep. 1409 Economic Development & Business Concerns on S.B. No. 907**

The purpose of this bill is to position Hawaii to take part in the aerospace industry by:

- (1) Renaming the Office of Space Industry, the Office of Aerospace Development (Aerospace Office);
- (2) Expanding the duties of the Aerospace Office to include the identification and promotion of opportunities for expanding and diversifying aerospace-related industries in the state; and
- (3) Appropriating funds to operate the Aerospace Office and establish and operate a Pacific International Space Center for Exploration Systems (PISCES).

The University of Hawaii at Hilo, former Governor George Ariyoshi, Space Portal, ROCKETPLANE KISTLER INC., Japan-United States Science, Technology and Space Applications Program, JAMSS America, Inc., Enterprise Honolulu, SpacePartnerships.com, Hawaii Island Economic Development Board, Inc., and many concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism, commented.

In 2005, Congress ratified the National Aeronautics and Space Administration's Vision for Space Exploration in Public Law 109-155, which directs NASA to work closely with the private sector to:

*[E]stablish a program to develop a sustained human presence on the Moon, including a robust precursor program, to promote exploration, science, commerce, and United States preeminence in space, and as a stepping-stone to future exploration of Mars and other destinations.*

This bill seeks to position Hawaii for participation in this endeavor, and to capitalize on characteristics that make Hawaii an ideal location for an aerospace industry: its mid-Pacific, near equatorial location, volcanic terrain, long-standing ties with Asia-Pacific nations, and resident expertise in space-related fields.

Your Committee understands that one version of this bill requested funds for a Federal Aviation Administration commercial spaceport license for shuttle flights out of Honolulu International Airport. Your Committee respectfully requests the Committee on Finance, to which this bill has been referred, to examine the availability of funding for this license, and for the other requests under this bill.

To encourage further discussion of the measure your Committee has changed its effective date to July 1, 2034. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 907, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 907, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1410 Economic Development & Business Concerns on S.B. No. 1315**

The purpose of this measure is to improve the State's ability to respond to the public demand for timely and coordinated access to agency information by permanently re-establishing the Access Hawaii Committee (Access Committee) to provide oversight of the State's Internet portal manager.

The State Procurement Office, Department of Commerce and Consumer Affairs, Department of Accounting and General Services, Office of Information Practices, and High Technology Development Corporation supported this bill.

Your Committee finds that the Access Committee provides a means of coordinating and prioritizing the services of the Internet portal manager. There was testimony that the members of the original Access Committee are still meeting informally, and that re-establishment of the Access Committee will give Access Committee management and directives the force and support of law.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, to encourage further discussion of the measure; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1315, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Manahan and Ching.

**SCRep. 1411 Economic Development & Business Concerns on S.B. No. 1929**

The purpose of this bill is to improve enforcement of the procurement code by:

- (1) Removing language making violation of the code a misdemeanor;
- (2) Allowing the Procurement Policy Board (Board) to set administrative fines by rule; and
- (3) Authorizing the Chief Procurement Officer to impose the administrative fines.

The State Procurement Office supported this bill. The Department of Business, Economic Development, and Tourism provided comments.

This bill would give chief procurement officers of the State and counties, the ability to impose a fine in cases where the procurement code violation is not merely due to error, lack of knowledge, or simple carelessness.

Your Committee has amended this bill by:

- (1) Delaying the effective date of the repeal of the misdemeanor penalty, and of the authorization to impose fines, to July 1, 2008;
- (2) Requiring the Board to develop proposed rules to establish the fines, and to submit the rules and any proposed legislation to the 2008 Legislature;
- (3) Changing the effective date to July 1, 2034, to encourage further discussion of the bill; 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1929, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1929, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1412 Economic Development & Business Concerns on S.B. No. 1026**

The purpose of this bill is to protect the environment through recycling by:

- (1) Allowing 68 fluid ounce beverage bottles to be recycled under Hawaii's Deposit Beverage Container Program; and
- (2) Making other amendments to improve the program.

The Sierra Club and Windward Ahupuaa Alliance supported this bill. Hawaii Food Industry Association opposed this measure. Pepsi Bottling Group and Coca-Cola Bottling Company of Hawaii provided comments.

Your Committee has amended the phase-in requirements of this bill to provide that beverage distributors have a three-month period to ensure that all 68 fluid ounce containers on retailer shelves are labeled with the Hawaii refund value before distributors become liable for the deposit and fee.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1026, 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. 1026, S.D. 2, H.D. 2.

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

**SCRep. 1413 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 138**

The purpose of this bill is to improve the Diamond Head State Monument by:

- (1) Establishing within the State Parks Special Fund a Diamond Head State Monument Sub-account, into which 55 percent of all proceeds collected from the admission fees charged at Diamond Head State Monument shall be deposited; and
- (2) Authorizing the Department of Land and Natural Resources (DLNR) to expend funds in the Diamond Head State Monument Sub-account for the repair, maintenance, and operating costs of the Diamond Head State Monument.

A concerned individual testified in support of this bill. DLNR and the Office of Hawaiian Affairs supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 138, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1414 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1090**

The purpose of this bill is to ensure the safety and enjoyment of visitors of the Diamond Head State Monument, a historical site on Oahu, and reduce visitor impact on the trail system by appropriating funds to improve the load distribution and carrying capacity of the trail system.

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 Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1090, 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 Thielen.

**SCRep. 1415 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1093**

The purpose of this bill is to build community-based consensus in Hawaii for managing ocean ecosystem resources for the benefit of the Hawaiian Islands, for the marine and coastal communities, and for the health of ocean ecosystems, by funding an Ocean Health Consensus Project (Project). The Project is to be coordinated by the Center for Conservation Research and Training and consists of:

- (1) Convening key stakeholders for ideas on productive problem solving;
- (2) Assigning roles and responsibilities to the facilitators;
- (3) Facilitating group problem solving by generating mutually advantageous proposals, confronting disagreements in a productive way, using scientifically sound information, and considering a range of possible solutions;
- (4) Reaching agreement on the most important interests of all concerned; and
- (5) Holding participants to their commitments.

The Nature Conservancy of Hawaii and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and John A. Burns School of Medicine of the University of Hawaii at Manoa supported the intent of this measure. A concerned individual opposed this bill. The Ocean Tourism Coalition provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1093, 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 Thielen.

**SCRep. 1416 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1818**

The purpose of this bill is to provide an exemption to nonprofit corporations from the 15-year limit on the grant of county concessions or concession space.

The Mayor of the County of Maui and the Maui County Council testified in support of this bill.

Your Committee finds that the 15-year limit on county leases prevents worthy nonprofit organizations from securing grants that are needed to fund capital improvement projects for county concessions. Exempting nonprofit corporations from the 15-year limit will enable the counties to secure much-needed funding.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1818, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1818, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1417 Health/Human Services & Housing on S.B. No. 816**

The purpose of this bill is to ensure the affordability of prescription drugs by consolidating the Hawaii Rx Plus Program and the State Medicare Part D Program into a single Hawaii State Pharmacy Assistance Program. This consolidation will enable the new program to obtain approval from the Centers for Medicare and Medicaid Services as a federal qualified state pharmacy assistance program for the purpose of receiving mandated rebates from drug manufacturers.

The Department of Human Services (DHS) and Hawaii Medical Service Association testified in support of this bill. AARP Hawaii supported the intent of this measure. Pharmaceutical Research and Manufacturers of America opposed this bill.

Your Committees have amended this bill by directing DHS to:

- (1) Encourage participation in joint prescription drug purchasing agreements with any other health benefits plan or organization that agrees to participate in such an agreement; and
- (2) Execute any joint purchasing agreements or contracts with any health benefits plan or organization that is negotiated through the collective bargaining process.

Technical, nonsubstantive amendments were also made to correct drafting errors and for style and clarity.

Your Committees respectfully request the Committee on Finance to consider removing the asset limits for eligibility in the State Medicare Part D Program as proposed by AARP.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 816, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 816, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1418 Transportation on S.B. No. 1709**

The purpose of this bill is to promote the use of specially-designed three-wheeled mopeds by exempting three-wheeled mopeds designed to carry a driver and passenger seated side-by-side from certain prohibitions on the operation of mopeds.

Shamrock Importers, LLC, supported this bill. The Department of Transportation and Hawaii Bicycling League opposed this measure. The Department of Customer Services of the City and County of Honolulu submitted comments.

Your Committee finds that three-wheeled mopeds may provide a safer alternative to two-wheeled mopeds for residents and visitors who desire the low cost, convenience, and high gas mileage of mopeds, but who are nervous or unsure of driving a two-wheeled moped.

However, your Committee also recognizes concerns raised regarding the safety of incorporating the three-wheeled moped in actual traffic conditions with much larger automobiles and trucks, as well as the impact the operation of these vehicles in bicycle lanes would have on bicyclists. Accordingly, your Committee has amended this bill by placing additional restrictions on the operation of three-wheeled mopeds, including requiring that these vehicles:

- (1) Be operated only on roadways with posted speed limits of 35 mph or less;
- (2) Only be operated on the right lane of a roadway;
- (3) Be prohibited from being operated in bicycle lanes; and
- (4) Requiring the drivers of these vehicles to have bodily injury and property damage insurance but not personal injury protection insurance.

Your Committee has also amended this measure by:

- (1) Changing its effective date to July 1, 2007; 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1709, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1709, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine and Pine.

**SCRep. 1419 Transportation on S.B. No. 1034**

The purpose of this bill is to maintain fairness within Hawaii's airline industry and to keep the State's inter-island airline industry healthy and competitive by exempting the fuel sold to common carriers for intrastate air transportation from the general excise tax (GET) and use tax.

The Department of Business, Economic Development, and Tourism, Aircraft Service International Group, Hawaii Chapter of the March of Dimes, Aloha Airlines, The Chamber of Commerce of Hawaii, Plumbers and Fitters Union Local 675, Hawaiian Airlines, Aloha Airlines Pilots' Union, Transport Workers Union, and International Association of Machinists and Aerospace Workers District 141 testified in support of this bill. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii submitted comments.

Current law grants a GET and use tax exemption to airlines when they purchase jet fuel from a Hawaii Foreign Trade Zone (FTZ) for use in interstate or foreign commerce. However, DOTAX has taken the position that inter-island flights are not interstate commerce and, therefore, airlines that purchase fuel from the FTZ for use in inter-island flights do not qualify for the tax exemption. While inter-island flights do not travel between States, a court challenge in 1983 appears to support the position that inter-island flights do constitute interstate commerce. The decision of the United States Supreme Court in *Aloha Airlines, Inc. v. Director of Taxation of Hawaii*, 464 U.S. 7, 104 S.Ct. 291 (1983) found that the State of Hawaii could not tax gross receipts of Aloha Airlines because taxing of airlines was forbidden under federal statute. In its decision, the

Supreme Court found that federal law provided Congress with "clear...authority to regulate state taxation of air transportation in interstate commerce." Thus, it appears that inter-island air carriers should qualify for the GET and use tax exemption if they purchase fuel from the FTZ and use the fuel for inter-island flights.

While your Committee understands the concerns raised by DoTAX that the provision of this exemption may result in \$8.6 million of lost revenue each year and that this exemption is misplaced in statute, the issue of applying taxes fairly among Hawaii's air carriers deserves further consideration. The fiscal impact of this bill on the general revenues of the State are beyond the purview of this Committee, and your Committee respectfully requests the Committee on Finance to examine this matter further.

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. 1034, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, McKelvey, Meyer and Pine.

**SCRep. 1420 Transportation on S.B. No. 1066**

The purpose of this bill is to protect Hawaii's fragile environment from invasive species by:

- (1) Requiring the Department of Agriculture (DOA) to collect service fees or charges for pest inspection, quarantine, and eradication services from any importer of commercial shipments, as defined by rule, and subject to the provisions of section 150A-5 relating to the importation of plants and animals, and chapter 141, Hawaii Revised Statutes, relating to DOA including its duties;
- (2) Establishing the Pest Inspection, Quarantine, and Eradication Fund (Fund) to be used for the operation of inspection and monitoring programs, related facilities, and the execution of emergency remedial measures when pests are detected;
- (3) Including, in the list of funding sources for the Fund, grants and gifts, federal funds, interest earned from moneys in the Fund, and any other moneys made available to the Fund; and
- (4) Appropriating funds out of the Fund to be used for the purposes of the Fund.

The Department of Agriculture, Mayor of Maui County, the Council Chair of the Maui County Council, a member of the Maui County Council, Conservation Council for Hawaii, The Nature Conservancy, and Hawaii Forest Industry Association testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Budget and Finance (B&F), The Chamber of Commerce of Hawaii, Alexander and Baldwin, Inc., Matson Navigation Company, Inc., and Horizon Lines, LLC testified in opposition to this bill.

Invasive species have become a major problem for Hawaii's fragile ecosystem. Introduction of these pests not only affects Hawaii's natural flora and fauna but can also have a tremendous impact upon Hawaii's economy. Protecting Hawaii from the establishment of these pests should be a priority for the State.

While your Committee understands the concerns raised by B&F regarding the establishment of special funds and notes that a general fund appropriation to DOA may be a better alternative, the impact invasive species will have on Hawaii's environment, economy, and people will be disastrous if action is delayed and this measure deserves further consideration. Your Committee respectfully requests that your Committee on Finance review the funding mechanism contained in this measure and determine if an alternative funding source may be more appropriate.

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. 1066, 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 Har, Lee, McKelvey, Meyer and Pine.

**SCRep. 1421 Transportation on S.B. No. 1046**

The purpose of this bill is to ensure fiscal accountability in the process of issuing parking placards for persons with disabilities by requiring the counties to deposit all fees collected for the issuance of temporary or replacement placards into the State general fund.

The Disabilities and Communication Access Board (DCAB), Department of Customer Services of the City and County of Honolulu, and two concerned individuals testified in support of this bill. Two members of the Maui County Council testified in opposition to this measure.

Currently, DCAB reimburses the counties at a rate of \$12 per placard for the issuance of temporary or replacement parking placards for persons with disabilities. However, the individual receiving the temporary or replacement placard must also pay \$12 to receive the placard. Thus, the county must reimburse the State for the issuance of these placards lest they be collecting twice the amount necessary for their issuance.

Concerns, however, have been raised by members of the Maui County Council regarding payment to the counties for the operation of the Statewide Program on Parking for Persons with Disabilities (Parking Program). While the counties are required to operate the Parking Program, members of the Maui County Council contend that the State does not adequately reimburse the county for this service. In fact, the council members have stated that in fiscal years 2005 and 2006, the County of Maui expended approximately \$102,000 for the Parking Program and was only reimbursed \$14,000 by the State. Accordingly, your Committee respectfully requests the Committee on Finance to review whether it is feasible for the State to fully reimburse the counties for the operations of the Parking Program.

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

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. 1046, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1046, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine, Takumi and Pine.

**SCRep. 1422 Transportation on S.B. No. 1500**

The purpose of this bill is to appropriate emergency funding to the Department of Taxation (DOTAX) to address unbudgeted expenses to implement the administration of the county surcharge on state general excise tax (GET). Specifically, this bill appropriates general funds for fiscal year 2006-2007 to:

- (1) Assure that the City and County of Honolulu's (City) county surcharge on GET is not adversely impacted; and
- (2) Ensure the ability to obtain federal funding for the City's mass transit project.

DOTAX and the Department of Budget and Fiscal Services of the City supported this bill.

Pursuant to the requirements set forth in Article VII, section 9, of the Constitution of the State of Hawaii, the Governor, in her Governor's Message No. 253 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

Act 247, Session Laws of Hawaii 2005, (Act 247) provided the counties with the authorization to adopt a county surcharge on the GET to give the counties a means of financing mass transit. When the City adopted the surcharge, the responsibility of DOTAX to administer the county surcharge as provided for in Act 247 was triggered. However, Act 247 did not provide an appropriation to offset the initial costs that would be incurred in administering the county surcharge. As a result, the City agreed to guarantee DOTAX costs up to \$5,000,000 so as not to jeopardize funding for its mass transit project.

Although a mechanism for funding costs incurred in administering and collecting the county surcharge was placed in Act 247 by requiring the Director of DOTAX to deduct ten percent of the gross proceeds of the county surcharge, your Committee has been informed that the incidental costs were not covered under Act 247 and that without this emergency appropriation, the City will lose its \$5,000,000 guarantee.

Accordingly, your Committee has amended this bill by increasing the appropriation amount to \$5,000,000.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1500, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine and Pine.

**SCRep. 1423                    Transportation on S.B. No. 1677**

The purpose of this bill is to enhance traffic flow on the island of Maui by appropriating funds for the development and implementation of an intelligent transportation system architectural plan for Maui, including the development of a Maui traffic control center, that would:

- (1) Provide for appropriate traffic decisions and signal adjustments;
- (2) Better inform motorists about traffic conditions;
- (3) Maximize traffic flow; and
- (4) Enhance public safety.

The Department of Transportation, several members of the Maui County Council, and Maui Land and Pineapple Company, Inc., testified in support of this bill.

Traffic congestion continues to be a problem for the people of Maui. The development and implementation of an intelligent transportation system architectural plan, including the establishment of a traffic control center, on the island of Maui would help to maximize traffic flow and alleviate traffic congestion.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2020, to continue further discussions; 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. 1677, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1677, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine and Pine.

**SCRep. 1424                    Transportation on S.B. No. 768**

The purpose of this bill is to facilitate the enforcement of environmental laws by:

- (1) Allowing the use of blue and red lights on approved enforcement vehicles of the Department of Land and Natural Resources (DLNR) Division of Conservation and Resources Enforcement (DOCARE); and
- (2) Including DOCARE vehicles in the definition of "authorized emergency vehicle" in the Traffic Code.

DLNR, Nature Conservancy of Hawaii, Honolulu Police Department, and numerous DOCARE Officers testified in support of this bill.

Under State law, DOCARE officers are provided with full police powers to enforce all State laws and county ordinances within all lands and waters of the State. However, patrol vehicles currently used by DOCARE are not authorized to use emergency lights on their vehicles. The use of these blue and red lights would not only act as a deterrent to criminal activity on State lands but also provides safety for DOCARE officers as they are relatively easily identified as law enforcement personnel with the use of these lights.

Your Committee has amended this bill by changing its effective date to July 1, 2007, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 768, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 768, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine, Takumi and Pine.

**SCRep. 1425                    Transportation on S.B. No. 784**

The purpose of this bill is to improve Hawaii's provisional driver licensing law by clarifying that when a minor is convicted of, or the minor's license is revoked for, a violation of Hawaii's provisional driver licensing law, the minor need not provide proof of financial responsibility.

The Office of the Public Defender, Department of Customer Services of the City and County of Honolulu, and Mothers Against Drunk Driving–Hawaii testified in support of this bill.



Current law allows drivers convicted of certain traffic offenses to have a proof of financial responsibility penalty, also known as an SR-22 requirement, imposed upon them. The SR-22 provision requires drivers to post \$25,000.00 in cash or bonds in order to retain their licenses. While it is possible to obtain insurance as proof of financial responsibility, this coverage provided by the insurance companies is often costly. However, without proof of financial responsibility, the driver's license will be suspended for three years.

Your Committee finds that minors would have difficulty meeting the current SR-22 requirements and that it was not the intent of the Legislature to impose this penalty on minors violating the administrative requirements of the provisional driver licensing law.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 784, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 784, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine, Takumi and Pine.

**SCRep. 1426 Transportation on S.B. No. 946**

The purpose of this bill is to enable a driver whose license has been administratively revoked for life due to multiple convictions of driving under the influence, a chance for relicensing under specific circumstances. Specifically, this bill:

- (1) Permits a driver to seek reinstatement of a license no sooner than 10 years since the lifetime revocation was imposed;
- (2) Requires an application for reinstatement of a license to be accompanied by written proof that the individual, within 90 days, immediately preceding the application, has been assessed by a certified substance abuse counselor and determined not to be in need of substance abuse treatment due to dependency or abuse;
- (3) Requires a driver to have had no arrests or convictions for driving while a license is revoked; and
- (4) Prohibits the issuance of a new driver's license if the driver's license has been revoked for a lifetime more than once.

The Senior Pastor of the Wahiawa Church of the Nazarene, Pastor of the Kailua Church of the Nazarene, and the District Superintendent of the Hawaii Pacific District of the Church of the Nazarene testified in support of this bill. An individual testified in support of this bill with amendments. The Judiciary, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, and MADD-Hawaii testified in opposition to this bill. The Department of Transportation offered oral comments and concerns on this measure.

Although there are a large number of traffic fatalities due to alcohol-related accidents each year, your Committee finds that every individual can be reformed and deserves a second chance, especially if the individual has performed meritorious service for over a decade.

However, numerous administrative and legal concerns were raised by the opponents of this measure. In light of these concerns, your Committee has amended this bill by deleting its contents and replacing its language with the contents of H.B. No. 160, HD1, which:

- (1) Permits driver whose license has been administratively revoked for life to seek reinstatement of the license after 10 years have passed since the lifetime revocation; and
- (2) Requires a driver to have had no arrests or convictions for driving while license revoked and be free from dependency or abuse of alcohol and drugs.

Your Committee has further amended this bill by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Transportation also would respectfully request that your Committee on Judiciary review the concerns raised by the opponents of this bill and address these issues accordingly.

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. 946, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 946, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine, Takumi and Pine.

**SCRep. 1427 Transportation on S.B. No. 1237**

The purpose of this bill is to control excessive vehicular noises by providing drivers an option to turn off audible reverse warning systems between the hours of 10:00 p.m. and 6:00 a.m. if:

- (1) The vehicle is:
  - (A) Equipped with a rearview camera system that provides the driver with a clear view of the vehicle's rearward path that operates whenever the vehicle is reversing;
  - (B) Equipped with flashing lights in the rear of the vehicle which are activated by, and continue to operate whenever a vehicle is reversing; or
  - (C) The vehicle is guided by a person, other than the driver of the vehicle, who is behind the vehicle and has a clear view of both vehicle's rearward path and the vehicle's driver;

And

- (2) The switch permitting the audible reverse warning system to be manually disengaged automatically turns itself off after a fixed period of time and automatically re-engages the audible reverse warning system.

Citizens Against Noise testified in support of this bill. The Department of Transportation supported the intent of this measure. The Honolulu Police Department (HPD) opposed this bill. The Hawaii Transportation Association (HTA) submitted comments and concerns on this measure.

Noise pollution has become a big problem in Hawaii, especially in the late evening and early morning hours, particularly in densely populated areas such as Waikiki. Many of the sources of this noise can be attributed to motor vehicles, in particular warning devices that are used when a vehicle is reversing. While your Committee recognizes the safety concerns raised by HTA and HPD, allowing reverse audible warning devices to be disengaged under certain conditions and restrictions may reduce noise without compromising safety and this issue deserves further consideration.

Your Committee has amended this bill by changing its effective date to July 1, 2012, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1237, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1237, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, Sonson, Meyer and Pine.

**SCRep. 1428 Transportation on S.B. No. 1528**

The purpose of this bill is to clarify that all traffic infractions subject to the penalty provisions under the statewide traffic code shall be treated as civil traffic violations rather than criminal offenses.

The Judiciary testified in support of this bill.

In 1993, the Legislature decriminalized less serious traffic offenses, treating these offenses as civil matters in an effort to expeditiously adjudicate these cases. However, the default penalty section of the statewide traffic code continues to use the term "conviction" which is only possible in criminal cases. Clarifying that traffic infractions are civil cases will be consistent with the legislative intent in decriminalizing traffic violations.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1528, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine and Pine.

**SCRep. 1429 Consumer Protection & Commerce on S.B. No. 12**

The purpose of this bill is to ensure reasonable health insurance rates by:

- (1) Prohibiting rates that are excessive, inadequate, or unfairly discriminatory; and
- (2) Requiring health care insurers to submit rate filings for approval by the Insurance Commissioner.

The Department of Commerce and Consumer Affairs, Hawaii State Teachers Association, Hawaii Association of REALTORS, ILWU Local 142, Hawaii Government Employees Association, Kokua Council, and several concerned individuals testified in support of this bill. Hawaii Medical Service Association and Kaiser Permanente opposed this measure. The Department of Taxation and AlohaCare submitted comments.

Your Committee was informed by AlohaCare of its concerns regarding the potentially negative impacts that the provision in this bill capping reserves at 30 percent of annual total expenses might have on health plans whose revenues are solely received from government contracts, such as contracts for QUEST and Medicare. Accordingly, your Committee respectfully requests the Committee on Finance, in its review of this bill, to consider whether health plans that exclusively receive their total revenues from government contracts should be exempted from the provision on reserves.

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. 12, 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 Herkes, Morita, Tsuji and Thielen.

**SCRep. 1430 Higher Education/International Affairs on S.B. No. 1177**

The purpose of this bill is to establish and appropriate funds for a Global Youth Center in Hawaii that will work in conjunction with various individuals and organizations to:

- (1) Develop educational programs, conduct original research, and link diverse people and organizations to address global problems;
- (2) Serve as a clearinghouse for information on youth policy activities internationally; and
- (3) Ensure that Hawaii students, particularly public school students, are provided with opportunities to participate in programs and activities, including meetings and forums, that address and increase awareness of global issues.

The Department of Business, Economic Development, and Tourism, Office of Economic Development of the City and County of Honolulu, East-West Center, Hawaii Global Youth Center, Pugwash Conferences on Science and World Affairs, United Nations Association-Hawaii Division, Reford-McCandless International, and many concerned individuals testified in support of this bill. The University of Hawaii supported the intent of this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2035, 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 Higher Education and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1177, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1177, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Saiki, Takai and Takamine.

**SCRep. 1431 Higher Education/Health on S.B. No. 1283**

The purpose of this bill is to support the University of Hawaii (UH) John A. Burns School of Medicine (JABSOM) by allowing UH to use its allotment of moneys from the Hawaii Tobacco Settlement Special Fund to pay for JABSOM's operating expenses, in addition to paying for debt service.

UH testified in support of this bill. The Department of Budget and Finance, Department of Health, Coalition for a Tobacco-Free Hawaii, and American Heart Association of Hawaii opposed this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2035, 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 Higher Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1283, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1283, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai and Wakai. (Representatives Berg, Rhoads and Takumi. voted no.)

**SCRep. 1432 Transportation on S.B. No. 1515**

The purpose of this bill is to protect state harbors by:

- (1) Increasing the ceiling on fines from \$10,000 to \$27,500 for violations of:
  - (A) Rules adopted by the Department of Transportation (DOT);
  - (B) The provisions of Chapter 266, Hawaii Revised Statutes; and
  - (C) Lawful commands of any harbor master, harbor agent, or harbor district manager;
 and
- (2) Clarifying that any vessel, agent, owner, or crew that violates rules of DOT or the lawful commands of any harbor master, harbor agent, or harbor district manager, pertaining to federal, state, or county rules, shall be fined not more than \$27,500 for each violation.

DOT testified in support of this bill with amendments.

Your Committee finds that current fines imposed for violations of state harbor laws and rules are far below the amount the federal and state agencies may impose on landowners for violations of environmental regulations, thus failing to serve as a deterrent. In fact, federal regulations provide for administrative and civil fines of up to \$27,500 per day per violation.

However, your Committee has been informed by DOT that, as currently written, this bill fails to accomplish its main goal of environmental protection at Hawaii's harbors. As drafted, this bill does not penalize violations of federal, state, or county environmental laws and only applies to rules made, adopted, and published by DOT. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Makes any commercial harbor tenant or user, including shippers and shipping agents, who violates any federal, state, or county environmental law or rule, to be liable to DOT for the amount of a fine, up to the maximum amount specified by the appropriate law or rule, if the violation results in an environmental fine being levied against DOT; and
- (2) Allows DOT to take legal action against a harbor tenant or user to collect the fines and any costs or expenses incurred.

Technical, nonsubstantive amendments were also made for clarity 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. 1515, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1515, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine and Pine.

**SCRep. 1433 Transportation on S.B. No. 1529**

The purpose of this bill is to clarify and expedite the processing of traffic infractions by, among other things:

- (1) Clearly establishing that the District Court may adjudicate civil traffic infractions charged against minors;
- (2) Clarifying that confidentiality protections afforded to minors are inapplicable to civil traffic infraction proceedings;
- (3) Consistently applying the civil standard of proof for civil traffic infraction trials;
- (4) Allowing District Courts discretionary scheduling of concurrent proceedings to address difficulties faced in complying with present concurrent scheduling requirements;
- (5) Clarifying the protections afforded to a defendant against self-incrimination;
- (6) Promoting consistency in the manner of processing and adjudicating moving and non-moving civil traffic infractions;

- (7) Permitting the use of electronic citations; and
- (8) Requiring that the person who is the lessee of the vehicle at the time of the issuance of a traffic infraction shall be responsible for the summons or citation if the registered owner of record is the lessor of a rental or U-drive motor vehicle.

The Judiciary supported this bill. Catrala-Hawaii supported this measure with amendments.

Currently, a vast majority of lesser traffic offenses can be adjudicated without requiring the defendant's appearance in court. However, some methods used in processing traffic infractions remain unclear, ambiguous, and inconsistent. This measure attempts to address these issues.

Your Committee understands the concerns raised by Catrala-Hawaii and the impact these changes may have on U-drive (also known as rental car) companies. Accordingly, your Committee has amended this bill by:

- (1) Stipulating that in addition to monetary assessments, surcharges, penalties, fines, costs and fees, and other charges that may be imposed by an administrative judge of the court having jurisdiction over the citation or summons who has waived the requirement of providing the name and address of the lessee by the lessor and imposed an administrative fee per citation or summons of five dollars per citation or summons on the lessor, shall not exceed ten dollars;
- (2) Stipulating, in the case of parking citations, that in addition to costs, fees, monetary assessments, surcharges, penalties, fines, and other charges that may be imposed by an administrative judge of the court having jurisdiction over the citation or summons who has waived the requirement of providing the name and address of the lessee by the lessor and imposed an administrative fee of \$5 per parking citation on the lessor, shall not exceed \$10;
- (3) Clarifying that the lessor of the motor vehicle, as the registered owner of the motor vehicle, may be responsible for fines, costs, penalties, fees, and other charges related to traffic infractions of a motor vehicle, not just parking citations, while being leased or rented to a lessee;
- (4) Allowing the lessor to adopt a policy of charging the lessee for the actual cost of the traffic infraction paid not just to the court, but to other state government agencies, or county governments, as well; and
- (5) Providing that the rental agreement contain language encouraging the lessee to pay all applicable monetary assessments, surcharges, in addition to applicable fines, costs, penalties, fees, and other charges directly to the appropriate court or government agency.

Your Committee has also amended this bill by:

- (1) Changing its effective date to July 1, 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1529, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1529, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine and Pine.

**SCRep. 1434 Transportation on S.B. No. 1191**

The purpose of this bill is to improve pedestrian safety, especially for elderly persons by:

- (1) Requiring the Department of Transportation (DOT) to:
    - (A) Work with the counties and nonprofit organizations to identify and implement immediate improvements to high-risk crosswalks and road crossings;
    - (B) Conduct a pilot study to identify state and county intersections where the time to cross the intersection is insufficient for elderly pedestrians;
    - (C) Develop additional design, funding, and installation plans to make crosswalks and road crossings safer for pedestrians; and
    - (D) Submit an interim report to the Legislature prior to the convening of the Regular Session of 2008 and a final report prior to the convening of the Regular Session of 2009 detailing the accomplishments, findings, future plans, cost estimates, and any proposed legislation recommended by the study;
  - (2) Appropriating funds for DOT to:
    - (A) Work with counties and nonprofit organizations in identifying and implementing improvements to high-risk crosswalks and road crossings;
    - (B) Conduct the study to identify state and county intersections where the time to cross the intersection is insufficient for elderly, child, and disabled pedestrians;
    - (C) Develop additional plans to make crosswalks and roadways safer;
    - (D) Purchase and install traffic countdown timers at state-controlled intersections;
    - (E) Conduct a public awareness campaign on pedestrian safety;
    - (F) Purchase and install pedestrian activated signals; and
    - (G) Conduct pilot projects such as the painting of advanced crosswalk markings, hand-carried signs and flags, and enforcement of crosswalks laws for drivers and pedestrians;
- and

- (3) Appropriating funds for grants-in-aid to the counties for the purchase and installation of traffic countdown timers, provided that the counties provide matching funds.

The Governor, DOT, AARP Hawaii, Hawaii Bicycling League, McCully-Moilili Neighborhood Board No. 8, Waikiki Neighborhood Board No. 9, and numerous individuals testified in support of this bill. The Department of Health supported the intent of this measure.

Pedestrian fatalities among Hawaii's elderly population is extremely high. In fact, the pedestrian fatality rate for those aged 65 years and older in Hawaii is 169 percent higher than the rest of the nation. One possible reason for the high number of these pedestrian fatalities is that a number of intersections in Hawaii do not allow sufficient time for elderly individuals to cross. Identifying these intersections and correcting this problem is paramount to pedestrian safety.

Your Committee notes that an additional reason for the high fatality rate among pedestrians is that both drivers and pedestrians are often inattentive to their surroundings. This is especially true around signalized crosswalks where vehicles are turning or cars run red lights. While both the pedestrian and driver may be to blame for their lack of attention to their surroundings, when a vehicle runs a red light, the pedestrian will always be the one paying the highest price. Accordingly, your Committee has amended this bill to increase traffic and pedestrian safety, especially at intersections, by inserting language that:

- (1) Establishes a Photo Red Light Imaging Detector System Program (Program) to improve enforcement of the traffic signal laws;
- (2) Allows counties to implement the Program;
- (3) Revises fines collected under county Programs to be deposited into a Photo Red Light Imaging Detector System Program Account (Account) within the general fund; and
- (4) Requires funds from the Account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of the Program;

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1191, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1191, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Sonson, Takamine and Pine.

**SCRep. 1435 Energy & Environmental Protection on S.B. No. 1419**

The purpose of this measure is to protect gasoline consumers from gasoline dealers who sell or offer to sell gasoline at unconscionably excessive prices during abnormal disruptions in the market.

Specifically, this measure adds a new chapter to the Hawaii Revised Statutes, relating to gasoline price gouging.

Your Committee received testimony from the Department of Commerce and Consumer Affairs in strong support of this measure. The Western States Petroleum Association submitted testimony expressing concerns with this measure.

Your Committee notes that Act 78, Session Laws of Hawaii 2006, codified as chapter 486B, Hawaii Revised Statutes, relating to unfair trade practices by the petroleum industry, made certain practices related to the petroleum industry unlawful trade practices. Your Committee notes that the new provisions relating to gasoline price gouging are more appropriately placed in chapter 486B, Hawaii Revised Statutes.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the contents of section 2 and placing salient components of the measure in chapter 486B, Hawaii Revised Statutes, by amending sections 486B-1 and 486B-3, Hawaii Revised Statutes; and
- (2) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1419, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1419, S.D. 1, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1436 Energy & Environmental Protection on S.B. No. 651**

The purpose of this bill is to promote recycling at the state level by mandating the installation and maintenance of recycling receptacles in all state facilities.

The Sierra Club, Hawaii Chapter, submitted testimony in support of the measure. The Department of Health submitted testimony in opposition to the measure.

Your Committee finds that recycling is one of the three elements of waste management: reduction, reuse, and recycling. Your Committee further finds that, currently, it is not mandatory in state facilities to provide recycling receptacles.

Your Committee finds that the State should lead by example by requiring recycling receptacles for all state facilities.

Your Committee amended the bill by deleting its contents and instead:

- (1) Amending section 196-18, Hawaii Revised Statutes, to add the facilitation and improvement of state recycling efforts by placing segregated recycling receptacles in state facilities to issues of state energy management on which the public-private policy advisory committee shall provide input; and
- (2) Adding legislative findings on recycling.

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. 651, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 651, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Sagum and Thielen.

**SCRep. 1437 Energy & Environmental Protection on S.B. No. 1612**

The purpose of this measure is to update data on the effects of global warming in Hawaii.

Specifically, this measure is intended to develop appropriate State responses to reduce emissions of greenhouse gases by assembling an inventory of greenhouse gas emissions estimates and appropriating funds for the Hawaii energy policy forum to develop a timetable to reduce greenhouse gas emissions in Hawaii.

Testimony in support of this measure was submitted by Hawaiian Electric Company, Inc., and the Hawaii Energy Policy Forum. Testimony in opposition to this measure was submitted by the Department of Health and the Windward Ahupua'a Alliance. The Western States Petroleum Association, the University of Hawaii Environmental Center, Covanta Energy, Honolulu Seawater Air Conditioning, LLC, and the Sierra Club Hawaii Chapter submitted comments.

Your Committee firmly believes that the urgency of the environmental threat from global warming demands a more comprehensive and immediate strategy to reduce greenhouse gas emissions in the State. Accordingly, your Committee has amended this measure by replacing its contents with those of H.B. No. 226 H.D. 2. This change would create a new chapter on greenhouse gas reduction. Pursuant to this chapter, the Director of Health would determine what the statewide level of greenhouse gases was in 1990, and set that level as the emissions limit that the State must achieve by 2020. The Director would also be required to adopt rules that will result in the maximum technologically feasible and cost-effective greenhouse gas emission reductions. Additionally, funds would be appropriated from the environmental response revolving fund to administer the greenhouse gas emissions program.

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. 1612, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1612, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Sagum and Thielen.

**SCRep. 1438 Energy & Environmental Protection on S.B. No. 987**

The purpose of this measure is to encourage the development of renewable energy projects and reduce the State's dependency on imported fossil fuels.

Specifically, this measure:

- (1) Amends section 171-95, Hawaii Revised Statutes, by amending the definition of "renewable energy producer" to include producers of thermal energy from renewable energy resources to allow them to obtain leases of public lands without public auction; and
- (2) Allows each county to grant, sell, or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems without public auction.

Your Committee has received testimony in support of this measure from the University of Hawaii at Manoa, College of Social Science's Hawaii Energy Policy Forum, the Hawaii Renewable Energy Alliance, and Honolulu Seawater Air Conditioning, LLC. The Department of Land and Natural Resources submitted testimony supporting the intent of this measure.

Your Committee finds that the use of cold water or deep sea ocean water to generate thermal energy for use in air conditioning systems is a new form of renewable energy being introduced to this State. Your Committee further finds that the granting of easements for use in thermal energy air conditioning systems by the State and the various counties would require that the easements be granted following public auction. Your Committee also notes that while the Department of Land and Natural Resources may grant easements for renewable energy producers without public auction, these producers are limited to producers of electrical energy to be sold to an electrical public utility. Further, the counties' granting of easements without public auction are limited to governmental or public utility purposes. This measure attempts to address both of those concerns.

Your Committee is further concerned that the permitting process for renewable energy projects is an array of federal, state, and county land use, environmental, and related laws that is both time consuming and costly.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new section to each of chapter 46, Hawaii Revised Statutes, relating to counties, and chapter 196, Hawaii Revised Statutes, relating to energy resources, to require all state and county agencies to provide priority handling and processing for permits required for renewable energy projects;
- (2) Amending section 226-18, Hawaii Revised Statutes, to make the priority handling and processing of all state and county permits required for renewable energy projects a stated policy in the Hawaii state plan; and
- (3) Making technical nonsubstantive changes for purposes of clarity and consistency.

Finally, it was brought to your Committee's attention from late testimony after action was taken on this measure that the disposition of an easement through negotiations may need to involve the disposition of improvements, such as appurtenances and facilities, located within the easement area. Therefore, it is requested that the Committee on Water, Land, and Hawaiian Affairs further clarify this issue in section 3 of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 987, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 987, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1439 Energy & Environmental Protection on S.B. No. 992**

The purpose of this bill is to require the Department of Business, Economic Development, and Tourism to post, on the Department's website, a current list of applications for permits and licenses for hydroelectric projects in and around Hawaii waters.

Your Committee circulated for discussion a proposed House Draft 1 (H.D. 1) to impose a 1 cent per gallon fuel tax on liquid fuel, other than diesel oil, sold for use in electric power generation.

Your Committee received testimony in support of the proposed H.D. 1 from Hamakua Energy Partners L.P. and the Kauai Island Utility Cooperative. The Department of Health offered supporting oral testimony. The Department of Taxation and the Tax Foundation of Hawaii offered comments. The Life of the Land offered oral comments.

Your Committee finds that the wording of "liquid fuel, other than fuel mentioned in paragraph (1)" (meaning diesel fuel) in the proposed H.D. 1 is overly broad and could allow any fuel other than diesel to qualify for the 1 cent per gallon fuel tax in the future.

Your Committee further finds that language proposed by the industry, in coordination with the Department of Taxation, clarifies the Legislature's intent that naphtha, when used in power-generating facilities, such as in the Hamakua Energy Partners L.P. plant, be taxed at 1 cent per gallon under section 243-4, Hawaii Revised Statutes. Your Committee recognizes that if the full license tax under section 243-4, Hawaii Revised Statutes, were to be applied to naphtha, electricity consumers would suffer significant hardship and the Big Island may experience a potential increase in air emissions resulting from the substitution of other fuels for naphtha.

Accordingly, your Committee has amended the measure by deleting the contents of the Senate Draft 1 (S.D. 1) and replacing it with the proposed H.D. 1 and further amending the draft by:

- (1) Replacing the reference to "liquid fuel, other than fuel mentioned in paragraph (1)," with "naphtha" to more precisely clarify that only naphtha is subject to the 1 cent per gallon fuel tax;
- (2) Changing the reference from "electric power generation" to "power-generating facility";
- (3) Adding a new definition of "power-generating facility"; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 992, S.D. 1, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1440 Consumer Protection & Commerce on S.B. No. 1400**

The purpose of this bill is to protect elders by:

- (1) Requiring financial institutions to report suspected financial abuse directed towards, targeting, or committed against an elder to law enforcement or the Department of Human Services if the elder is a dependent adult; and
- (2) Providing immunity from civil and criminal liability for the good faith reporting of suspected financial abuse against elders.

The Department of Human Services, Department of Commerce and Consumer Affairs, Policy Advisory Board for Elder Affairs, and several concerned individuals testified in support of this bill. The Hawaii Bankers Association and Hawaii Financial Services Association opposed this measure. The Department of the Attorney General submitted comments.

There is an apparent ambiguity as to whether this bill only applies to state-regulated financial institutions. Your Committee respectfully requests the Committee on Judiciary, in its review of this measure, to consider which financial institutions would be subject to the provisions of this bill.

Your Committee has amended this measure by changing the effective date to January 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1400, 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. 1400, S.D. 2, H.D. 2.

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

**SCRep. 1441 Consumer Protection & Commerce on S.B. No. 1060**

The purpose of this bill is to assist injured workers and enhance the workers' compensation law by, among other things:

- (1) Providing an alternative dispute resolution process for workers' compensation claims;
- (2) Establishing optional, evidence-based treatment guidelines for medical providers treating injured workers;
- (3) Requiring essential medical services to be continued for an injured employee during a dispute between the employee and the employer or the employer's insurer regarding treatment, until the Director of Labor (Director) issues a decision on whether medical treatment should be continued;
- (4) Allowing an employer or employer's insurer to recover medical costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer for medical treatment the Director determines should have been discontinued;
- (5) Allowing injured employees to be referred for vocational rehabilitation services where the employee has achieved maximum medical improvement and the employer has made no offer of suitable work;
- (6) Allowing employers to request the Director to issue a credit for the amount of temporary total disability benefits that the Director determines should have been discontinued;
- (7) Establishing requirements and standards for physicians selected by mutual agreement between the claimant and the employer to perform independent medical examinations; and
- (8) Requiring employers' insurers to provide annual reports regarding the costs of their policies to the Director and the Insurance Commissioner.

Numerous concerned individuals testified in support of this bill. The Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Hawaii Employers' Mutual Insurance Company, Inc., Hawaii Government Employees Association, ILWU Local 142, Hawaii Medical Association, Hawaii Insurers Council, Retail Merchants of Hawaii, National Federation of Independent Businesses in Hawaii, Bay Harbor Honolulu, LLC, Pearl Country Club, and several concerned individuals opposed this measure. The Department of Labor and Industrial Relations, Department of the Attorney General, Judiciary, Hawaii State Teachers Association, Chamber of Commerce of Hawaii, Hawaii State AFL-CIO, Occupational Therapy Association of Hawaii, Hawaii State Chiropractic Association, Hawaii Chapter—American Physical Therapy Association, and numerous concerned individuals submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1442 Human Services & Housing on S.B. No. 1352**

The purpose of this bill is to make housekeeping amendments to implement laws relating to the Hawaii Housing Finance and Development Corporation (HHFDC) that were enacted during the Regular Session of 2006.

HHFDC and two members of the Maui County Council testified in support of this bill. The City and County of Honolulu Department of Community Services supported the intent of this measure. The Wilikina Park Elderly and Handicapped Housing Project provided comments.

Your Committee has amended this bill by:

- (1) Changing the definition of "elderly housing project"; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1352, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1443 Human Services & Housing/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1917**

The purpose of this bill is to provide homeless solutions and housing options for Hawaii's residents by:

- (1) Appropriating funds and authorizing the issuance of general obligation bonds for various housing and homeless programs and services;
- (2) Requiring the Hawaii Housing Finance and Development Corporation (HHFDC) to develop an affordable housing inventory registry; and
- (3) Extending the sunset date and changing the allocation of the conveyance tax to the Rental Housing Trust Fund (RHTF) and appropriating funds to the RHTF.

HHFDC, the Hawaii Public Housing Authority, Catholic Charities Hawaii, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Housing Hawaii, Hawaii Association of REALTORS, Pacific Housing Assistance Corporation, Partners in Care, McCully-Moilili Neighborhood Board, No. 8, Windward Ahupuaa Alliance, Windward Homeless Coalition, and several concerned individuals testified in support of this bill. The Department of Taxation, Department of Hawaiian Home Lands, and Tax Foundation of Hawaii provided comments.

Testimony was received suggesting that HHFDC coordinate an inventory registry of affordable housing projects on public lands in each county. HHFDC stated that it is currently working with the Department of Land and Natural Resources to create such a registry. Further, this measure, as it was received from the Senate, includes provisions requiring HHFDC to develop and maintain an affordable housing inventory registry.

Your Committees are supportive of the recommendation from several testifiers who stated that the conveyance tax allocation to RHTF should be increased to 65 percent on a permanent basis, but did not amend the measure to reflect such, in the interest of encouraging further discussion on the matter and allowing the Committee on Finance to also review the suggestion.

Your Committees have amended this bill by:

- (1) Adding a \$50,000 appropriation to commission a study to find solutions for the Waianae Coast homeless population;
- (2) Adding unspecified appropriations for homeless support services, operating funds for emergency and transitional shelters, and to provide matching funds for shelter plus care grants;
- (3) Inserting provisions requiring counties to adopt rules to allow for the construction of indigenous Hawaiian structures by March 31, 2008;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1917, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1917, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Mizuno, Saiki, Takai, Awana and Thielen.

**SCRep. 1444 Human Services & Housing on S.B. No. 1919**

The purpose of this bill is to provide comprehensive assistance for individuals to reach self-sufficiency by, among other things:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to annually establish a self-sufficiency standard to reflect the cost of living in Hawaii;
- (2) Requiring certain public assistance payments to be based on the self-sufficiency standard;
- (3) Establishing an Earned Income Tax Credit (EITC);
- (4) Requiring the Department of Human Services (DHS) to offer financial education to applicants for and recipients of Temporary Assistance for Needy Families (TANF) and appropriating funds for this purpose;
- (5) Requiring DHS to provide technical and administrative assistance to fiduciary organizations participating in the State's Individual Development Account (IDA) program, and allowing DHS to expend funds for IDAs; and



- (6) Appropriating \$2,000,000 for fiscal year 2007-2008 for fiduciary organizations to conduct IDA programs.

The Hawaii State Commission on the Status of Women, Hawaii County Office on Aging, Aloha United Way, Asset Building Initiative of Hawaii, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Hawaii Alliance for Community-Based Economic Development, Hawaii HomeOwnership Center, 3Point, ALU LIKE, Inc., Hawaii Women Work, Hawaii Chapter of the National Association of Social Workers, and several concerned individuals testified in support of this bill. DBEDT and the Department of Taxation (DOTAX) supported the intent of this measure. DHS and the Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests the Committee on Finance to consider some of the concerns raised by testifiers, including the cost implications for DBEDT, which are an estimated \$30,000 to \$100,000. DOTAX stated that there may be compliance issues with the Internal Revenue Service with regard to the EITC because of improperly paid claims and high error rates. The Tax Foundation of Hawaii also expressed concerns with the EITC.

DHS suggested the TANF cap on work support programs be increased by an estimated \$500,000, and noted that the use of TANF funds for IDAs tied to the federal IDA program may place limitations on what the money may be used for. DHS also suggested that it be authorized to contract for services related to IDAs.

Accordingly, your Committee has amended this bill by, among other things:

- (1) Allowing DHS to contract for services related to IDAs;
- (2) Removing the provisions limiting IDAs to \$100,000 for five years;
- (3) Appropriating \$2,000,000 for each year of the 2007-2009 fiscal biennium for IDA programs; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1919, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1919, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

**SCRep. 1445 Human Services & Housing on S.B. No. 424**

The purpose of this bill is to expand the Bridge to Hope program to enable heads of households who are receiving financial assistance and who are participating in the First-to-Work program to pursue educational activities beyond the new federal time limit.

The University of Hawaii, Bridge to Hope, Hawaii Chapter of the National Association of Social Workers, Legal Aid Society of Hawaii, and many concerned individuals testified in support of this bill. The Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the new federal time limit for educational activities is one year, instead of two years;
- (2) Clarifying that the Bridge to Hope program be open to heads of households with minor dependents who receive financial assistance and participate in the First-to-Work program;
- (3) Specifying that the number of hours of the approved course of study, in addition to work activity requirements, not exceed the requirements imposed on financial assistance recipients who are not Bridge to Hope program participants;
- (4) Adding an appropriation to cover any additional costs incurred from the expansion of the Bridge to Hope program; 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 & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 424, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 424, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla and Mizuno.

**SCRep. 1446 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1603**

The purpose of this bill is to continue to strike a balance between protecting the safety of residents and visitors at public beach parks and government liability by extending the automatic repeal dates of Act 190, Session Laws of Hawaii (SLH) 1996, Act 170, SLH 2002, and Act 82, SLH 2003, that provide state and county governments with liability protection for:

- (1) Public use of certain state or county beach parks; and
- (2) The acts or omissions of lifeguards while providing lifeguard services within the scope of their employment.

This bill also creates a task force to examine the effectiveness of, collect sufficient data relating to, and provide the Legislature information on Act 190, Act 170, and Act 82.

In addition, this bill extends the statute of limitations for actions against a county for damage or injury from six months to two years.

The State Fire Council, Honolulu Fire Department, Hawaii Fire Department, Consumer Lawyers of Hawaii, a member of the Maui County Council, and a concerned individual testified in support of this bill. The Hawaiian Lifeguard Association supported the intent of this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported this bill with amendments. The Department of the Attorney General, Department of the Corporation Counsel of the City and County of Honolulu, and Honolulu Emergency Services Department opposed this measure. The Department of Land and Natural Resources, Mayor of the County of Hawaii, Department of Parks and Recreation of the County of Hawaii, Office of the County Attorney of the County of Kauai, Department of the Corporation Counsel of the County of Maui, Office of Hawaiian Affairs, and the Kauai Fire Department provided comments.

Upon careful consideration, your Committee has amended this bill by substituting the language in the Senate draft with language from H.B. No. 38, H.D. 2. Specifically, this bill has been amended by:

- (1) Making permanent, instead of extending the sunset dates of Act 190 and Act 170;
- (2) Deleting the section of the bill that would have extended the sunset date of Act 82, which provides that a sign on public lands warning of dangerous natural conditions to fulfill the State's or county's duty to warn of natural dangers;
- (3) Deleting the section of the bill that would have extended the statute of limitations for actions against a county for damage or injury from six months to two years; and
- (4) Changing the effective date to take effect upon its approval.

Your Committee finds that the data sought by the task force will be difficult to collect and may be inaccurate. Therefore, your Committee has also deleted the language creating a task force.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1603, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1603, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1447 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 162**

The purpose of this bill is to:

- (1) Designate the Friends of Iolani Palace as the State of Hawaii Museum of Monarchy History; and
- (2) Exempt the Friends of Iolani Palace from the standards and conditions related to the recipient of funds contained in Chapter 42F, Hawaii Revised Statutes (HRS).

The Friends of Iolani Palace, Association of Hawaiian Civic Clubs, and the Pearl Harbor Hawaiian Civic Club testified in support of this bill. The Office of Hawaiian Affairs supported the intent of this measure. The Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that Iolani Palace, instead of the Friends of Iolani Palace, is designated as the State of Hawaii Museum of Monarchy History;
- (2) Further explaining in the purpose section the histories of both Iolani Palace and the Friends of Iolani Palace;
- (3) Expressing the Legislature's intent to support Iolani Palace through an unspecified appropriation in the state budget;
- (4) Requiring the Friends of Iolani Palace to submit annual reports to the Legislature on the use of state funds; and
- (5) Authorizing the Comptroller and the State Auditor to examine the use of state funds appropriated to the State of Hawaii Museum of Monarchy History.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1448 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1923**

The purpose of this bill is to require the prior approval of the Legislature for the exchange of public lands.

Specifically, this measure requires the legislative approval of the exchange of lands controlled by the Department of Land and Natural Resources (DLNR) and other departments and agencies, including the University of Hawaii, Hawaii Community Development Authority, Department of Agriculture, Aloha Tower Development Corporation, Agribusiness Development Corporation, and the High Technology Development Corporation.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. DLNR, Department of Transportation, Department of Hawaiian Home Lands, and Hawaii Housing Finance and Development Corporation opposed this measure. The Department of the Attorney General, Office of Hawaiian Affairs, and the Hawaii Business Roundtable provided comments.

Your Committee has amended this bill by:

- (1) Exempting from the legislative approval requirement lands designated in Section 203 of the Hawaiian Homes Commission Act, 1920, as amended;
- (2) Exempting from the legislative approval requirement lands to which the Hawaii Community Development Authority in its corporate capacity holds title;
- (3) Creating a narrow three-year exception for the exchange of up to 15 acres of public lands that are used as a qualified community center by a qualified eleemosynary organization; 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 & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1923, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1923, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1449 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1924**

The purpose of this bill is to require the prior approval of the Legislature for the sale of public lands in fee simple.

Specifically, this measure requires the legislative approval of the sale of lands controlled by the Department of Land and Natural Resources (DLNR) and other departments and agencies, including the University of Hawaii, Hawaii Community Development Authority, Department of Agriculture, Aloha Tower Development Corporation, Agribusiness Development Corporation, and the High Technology Development Corporation.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this bill. DLNR, the Department of Agriculture, Hawaii Housing Finance and Development Corporation, and the Department of Transportation opposed this measure. The Department of the Attorney General, Office of Hawaiian Affairs, the Chair of the Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34, Land Use Research Foundation of Hawaii, Hawaii Business Roundtable, Castle & Cooke Homes Hawaii, Iron Workers Stabilization Fund, and numerous concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Exempting from the legislative approval requirement lands designated in Section 203 of the Hawaiian Homes Commission Act, 1920, as amended;
- (2) Exempting from the legislative approval requirement lands to which the Hawaii Community Development Authority in its corporate capacity holds title;
- (3) Creating a narrow three-year exception for the sale of up to 15 acres of public lands that are used as a site for a qualified community center by a qualified eleemosynary organization; 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 & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1924, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1924, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1450 Health on S.B. No. 1004**

The purpose of this bill is to improve mental healthcare access to people in Hawaii's rural, medically underserved areas by authorizing appropriately trained and supervised licensed medical psychologists practicing in federally qualified health centers or licensed health clinics located in medically underserved areas or in federally designated mental health professional shortage areas, to prescribe psychotropic medications for the treatment of mental illness.

The Disability and Communication Access Board, Hawaii Medical Service Association, Na Puuwai Native Hawaiian Health Care System, American Psychological Association, Hawaii Psychological Association, Behavioral Health Services of the Molokai Community Health Center, Mental Health America of Hawaii, the Chair of the Louisiana State Board of Examiners of Psychologists, Community Clinic of Maui, Waikiki Health Center, Papa Ola Lokahi, West Hawaii Community Health Center, Inc., and several of its board members, Hamakua Health Center, Kookaa Kalihi Valley, Hawaii Primary Care Association, and numerous concerned individuals supported this bill. The Board of Medical Examiners, Hawaii Medical Association, Hawaii Disability Rights Center, Koolau Community Health Center, and several concerned individuals opposed this measure. The Department of Health, Board of Psychology, and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that appropriately trained psychologists shall only be authorized to prescribe psychotropic medication if they are working in a federally qualified health center;
- (2) Requiring that a psychologist applying for a conditional prescription certificate shall have completed training that included a two year postdoctoral program of no less than 44 credit hours (660 hours of classroom instruction) in specified core areas of instruction; 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. 1004, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1004, 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 Rhoads and Takai.  
(Representative Ward voted no.)

**SCRep. 1451 Health on S.B. No. 1792**

The purpose of this bill is to advance the State's commitment to providing quality health care for the people of Hawaii, by:

- (1) Adopting the original task force's recommendation of community-based governance;
- (2) Establishing a regional affiliate corporation for the Maui region to be governed by a community-based regional board of directors;
- (3) Providing the necessary authority for other regions to create regional affiliate corporations to accomplish the goal of community-based governance;
- (4) Authorizing each regional affiliate corporation to issue revenue bonds in an amount up to and including \$100,000,000; and
- (5) Establishing the process for enabling other regions to develop regional boards and become regional affiliate corporations.

The Mayor of Maui County, individual members of the Maui County Council, members of the Maui Management Advisory Committee, and numerous concerned individuals supported this bill. The State Procurement Office did not support this measure. The Hawaii Health Systems Corporation (HHSC), several of HHSC's board members and affiliated hospitals, including Hilo Medical Center, Kona Community Hospital, West Kauai Medical Center, Kohala Hospital, Ka'u Hospital, Leahi Hospital; the Mayor of Hawaii County; a member of the Kauai County Council; Hawaii Government Employees Association; United Public Workers; the President of Kahuku Hospital's Board of Directors; and numerous concerned individual opposed this bill. The National Association of Public Hospitals and Health Systems submitted comments.

Your Committee finds that this bill is a work in progress. Many strong arguments from both the proponents and opponents of this bill were heard, demonstrating the need that further effort be made to find a mutually agreeable outcome to this situation.

The proposed division of HHSC into five affiliate corporations, all of which are state agencies attached to the Department of Health and with the pending addition of Kahuku Hospital to HHSC, has raised many concerns by your Committee, including:

- (1) Five separate corporations seeking funding from the Legislature could lead to unbalanced support for the regions;
- (2) The use of five separate information (IT) systems rather than one central IT system may be less cost-effective, cause confusion, and unnecessarily duplicate services;
- (3) The proposed division of HHSC may induce a lack of confidence in the ability of HHSC to repay existing notes and create problems in financial dealings;
- (4) Some existing members of the HHSC Board of Directors (BOD) have indicated their intention to resign if the ability to provide meaningful oversight for Hawaii's health care system is removed while fiduciary responsibilities remain;
- (5) Authorizing the issuance of up to \$100,000,000 in revenue bonds per affiliate corporation with no BOD oversight or input is problematic;
- (6) Annual financial audits could entail the use of different auditors for each separate corporation, which was shown to be one of the biggest drawbacks to the efficient management of Hawaii's hospital system prior to the formation of HHSC; and
- (7) Allowing the division into five affiliate regional corporations could jeopardize the plan for HHSC to acquire Kahuku Hospital to ensure access to health care for Oahu's North Shore residents;

With these concerns noted, your Committee on Finance is encouraged to look closely at the possible benefits this measure could provide to the state. The creation of a task force to further investigate this issue may be something your Committee on Finance could consider to find the most beneficial outcome for the people of Hawaii.

Your Committee has amended this bill by:

- (1) Providing that this initiative will be a five-year pilot program to provide insight into the benefits of local operation of community hospitals through an independent regional board;
- (2) Specifying that there will be only a Maui Regional Affiliate Corporation (MRAC) of HHSC and a Maui Regional Board;
- (3) Deleting provisions authorizing other regions to create regional affiliate corporations;
- (4) Allowing for the issuance of an unspecified amount of revenue bonds by the MRAC;
- (5) Inserting a sunset date of June 30, 2012;
- (6) Changing the effective dates to July 1, 2121, and July 1, 2122, to promote further discussion; 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 S.B. No. 1792, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1792, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1452      Judiciary on S.B. No. 675**

The purpose of this bill is to propose a constitutional amendment to require the Tax Review Commission to meet every ten years instead of every five years.

The Hawaii Government Employees Association supported this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii 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. 675 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, Ito, McKelvey, Morita, Souki and Thielen. (Representatives Marumoto and Pine voted no.)

**SCRep. 1453      Judiciary on S.B. No. 1068**

The purpose of this bill is to increase the amount of funds available to candidates who voluntarily agree to limit their campaign spending.

Hawaii Clean Elections and Metizo Association testified in support of this bill. The League of Women Voters of Hawaii supported the intent of this measure. The Campaign Spending Commission provided comments.

Upon careful consideration, your Committee has amended this bill by, among other things:

- (1) Revising various election campaign reporting deadlines;
- (2) Amending definitions of "contribution" and "expenditure";
- (3) Requiring noncandidate committees to register with the Commission by filing an organizational report;
- (4) Adding the office of the prosecuting attorney as an election subject to spending limitation per voter in publicly-funded campaigns;
- (5) Increasing amounts that may be spent per voter for state and county elections in publicly-funded campaigns for the office of the governor, lieutenant governor, mayor, board of education, state senator, state representative, county council member, and prosecuting attorney;
- (6) Changing the maximum amount of public funding available to elections for state senator, state representative, county council member, and prosecuting attorney, to an unspecified percentage;
- (7) Changing the effective date to January 1, 2050, to encourage further discussion; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1068, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey, Sonson, Souki, Yamashita and Thielen.

**SCRep. 1454 Judiciary on S.B. No. 1113**

The purpose of this bill is to improve the ability of law enforcement agencies to locate and identify missing persons by establishing new procedures for missing persons cases.

Your Committee received testimony in support of this bill from the Honolulu Police Department and the Department of the Prosecuting Attorney of the City and County of Honolulu. The Department of the Attorney General supported the intent of this measure. The Department of Public Safety opposed this bill.

Your Committee has amended this measure by:

- (1) Applying the provisions for the handling and identification of human remains only after a determination that they are not historic or prehistoric remains subject to sections 6E-43 through 6E-43.6, Hawaii Revised Statutes, and related rules;
- (2) Specifying that a missing person report shall be entered into the National Crime Information Center database within three, instead of two, months after the missing person report is received;
- (3) Changing its effective date to January 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1113, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1113, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey, Sonson, Souki, Yamashita and Thielen.

**SCRep. 1455 Judiciary on S.B. No. 1184**

The purpose of this bill is to protect certain "vulnerable adults" from abuse and financial and economic exploitation by strengthening and clarifying the laws on adult protective services.

AARP Hawaii, Healthcare Association of Hawaii, National Multiple Sclerosis Society, Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, Catholic Charities Hawaii, Kokua Council, and several concerned individuals testified in support of this bill. The Hawaii Chapter of the National Association of Social Workers supported this measure with amendments. The Department of Human Services opposed this bill. The Disability and Communication Access Board and Christian Science Committee on Publication for Hawaii provided comments.

Your Committee recognizes the importance of protecting those in our society who are most vulnerable to abuse. Your Committee is concerned, however, that the amendments proposed by this measure to the current statute related to the reporting and investigation of abuse of dependent adults may have significant systemic implications to the operations of DHS and possibly the family courts.

Your Committee respectfully requests that the Committee on Finance closely examine the financial implications of this measure. DHS and other stakeholders such as social workers, are encouraged to continue discussion on how to collaborate effectively and efficiently to investigate and provide services or protection to adults at risk of abuse.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2112, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, 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. 1184, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1456 Judiciary on S.B. No. 1672**

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by:

- (1) Establishing a process by which Medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation;
- (2) Retroactively adjusting for inflation, payments made to providers of hospital outpatient services and other individual providers; and
- (3) Appropriating funds for the payments.

The Chamber of Commerce of Hawaii, Hawaii Chapter – American Physical Therapy Association, Hawaii Primary Care Association, Healthcare Association of Hawaii, Hawaii Medical Service Association, and Hawaii Pacific Health testified in support of this bill. The Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2112, 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 S.B. No. 1672, 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. 1672, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1457 Judiciary on S.B. No. 966**

The purpose of this bill is to propose an amendment to the State Constitution to reduce the age qualification for the offices of the Governor and Lieutenant Governor from 30 to 25 years-of-age.

Many concerned individuals 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. 966 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen. (Representative Green voted no.)

**SCRep. 1458 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 750**

The purpose of this bill is to improve enforcement of laws regulating vacation rentals and bed and breakfasts by, among other things:

- (1) Requiring the Department of Taxation (DOTAX) to coordinate with the Hawaii Tourism Authority (HTA) and each county to identify owners, subject to the Transient Accommodations Tax (TAT), who operate vacation rentals and bed and breakfast establishments (Owners of Transient Accommodations);
- (2) Allowing DOTAX to coordinate with HTA and each county to conduct audits of Owners of Transient Accommodations, and take other actions necessary to ensure compliance with applicable laws;
- (3) Requiring DOTAX to provide the counties with the location of vacation rentals or bed and breakfast establishments subject to the TAT;
- (4) Requiring DOTAX to report, on an annual basis, the TAT revenues received from Owners of Transient Accommodations subject to the TAT;
- (5) Requiring DOTAX to review the forms and process for the collection of the TAT and submit a report of its review and any findings and recommendations, including any proposed state and county enforcement and compliance initiatives, to the Legislature at least twenty days prior to the convening of the Regular Session of 2008; and
- (6) Appropriating funds to DOTAX for the additional tax investigations provided for in this bill.

A member of the Maui County Council, Department of Planning and Permitting of the City and County of Honolulu, Hawaii Hotel & Lodging Association, Keep It Kailua!, and numerous concerned individuals supported this bill. A concerned individual supported this bill with amendments. Outrigger Hotels & Resorts supported the intent of this measure. DOTAX, Windward Ahupua'a Alliance, and several concerned individuals opposed this bill. HTA, Tax Foundation of Hawaii, and numerous concerned individuals submitted comments.

Your Committees have amended this measure by:

- (1) Deleting the provision requiring DOTAX to provide the counties with the location of vacation rentals or bed and breakfast establishments subject to the TAT and, instead, requiring the counties and HTA to provide DOTAX with the location of vacation rentals or bed and breakfast establishments subject to the TAT; provided that DOTAX shall not release personal information regarding the TAT collected;
- (2) Requiring DOTAX to report, on an annual basis, the estimated amount of general excise tax and TAT revenue that is uncollected, and therefore lost, due to the lack of county enforcement of the tax laws;
- (3) Specifying that the counties, instead of DOTAX, shall establish criteria to identify vacation rentals and bed and breakfast establishments;
- (4) Specifying that the counties shall also establish criteria for the permitting of vacation rentals and bed and breakfast establishments;
- (5) Specifying that, in the report due at least twenty days prior to the convening of the Regular Session of 2008, DOTAX shall submit recommendations on the appropriate funding mechanism, to include consideration of revenue collected from the TAT, to reimburse counties for the costs associated with implementing the provisions of this bill;
- (6) Changing its effective date to January 1, 2025, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 750, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 750, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Hanohano and Herkes.

**SCRep. 1459 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 1920**

The purpose of this bill is to improve and enhance various provisions relating to performing arts and motion picture, digital media, and film production by:

- (1) Recodifying the existing income tax exclusions for performing arts royalties into a new part of Chapter 235, Hawaii Revised Statutes (HRS);
- (2) Establishing a separate Performance Arts Investment Tax Credit and Tax Credit for Performing Arts Research Activities under the new part;
- (3) Recodifying the Motion Picture, Digital Media, and Film Production Income Tax Credit (Tax Credit) under the new part, and also:
  - (A) Increasing the Tax Credit amount to 20 percent of the qualified production costs incurred by a qualified production in any county with a population over 700,000;

- (B) Increasing the Tax Credit amount to 25 percent of the qualified production costs incurred by a qualified production in any county with a population of 700,000 or less;
- (C) Clarifying that the written statement required of taxpayers claiming the Tax Credit:
  - (i) Identify the number of total hires versus the number of qualified local hires by category and by county;
  - (ii) Identify evidence of educational or workforce development efforts; and
  - (iii) Be used by the Department of Business, Economic Development, and Tourism (DBEDT) to prepare a public report, published biannually, presenting information identifying Tax Credit recipients and the aggregate total value of credits received;
 and
- (D) Changing the limit on Tax Credits claimed per qualified production to an unspecified amount;
- (4) Removing references to performing arts products from the law excluding royalties from patents, copyrights, or trade secrets from gross income; and
- (5) Repealing the Hawaii Television and Film Development Board, and making DBEDT responsible for the Board's duties.

I.A.T.S.E. Local 665 and a concerned individual supported this bill. DBEDT supported the intent of this measure. The Department of Taxation, Tax Foundation of Hawaii, and a concerned individual submitted comments.

Your Committees have amended this measure by:

- (1) Deleting the provisions establishing the Performance Arts Investment Tax Credit and the Tax Credit for Performing Arts Research Activities;
  - (2) Deleting the provisions recodifying the Tax Credit under the new part, increasing the credit amounts, and changing the limit on Tax Credits claimed per qualified production;
- 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 Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1920, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1920, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Hanohano and Herkes.

**SCRep. 1460 Tourism & Culture on S.B. No. 1438**

The purpose of this bill is to establish a temporary commission to plan and coordinate the public celebration of the Fiftieth Anniversary of Hawaii's admission to statehood.

The Department of Business, Economic Development, and Tourism supported this bill and suggested amendments. The Hawaiian Political Action Council of Hawaii opposed this measure. A concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Changing the selection method for the commission to enable the Governor to select six members of the commission from a list of 12 names submitted by the Senate President, and six members of the commission from a list of 12 names submitted by the Speaker of the House of Representatives;
- (2) Changing its effective date to January 1, 2025, 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1438, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1438, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1461 Tourism & Culture on S.B. No. 1823**

The purpose of this bill is to revise the appointment process and qualifications of members to the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) by, among other things:

- (1) Reducing from 12 to two, the number of public, voting members appointed by the Governor and requiring one of the two members to have knowledge, experience, and expertise in the area of Hawaiian cultural practices;
- (2) Specifying that one public voting member shall be nominated separately and, with the advice and consent of the Senate, appointed separately by each mayor of the City and County of Honolulu, County of Hawaii, County of Kauai, and Maui, and requiring the members to have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions;
- (3) Repealing existing procedures that require the Governor to appoint six public voting members from lists of names submitted by the Speaker of the House of Representatives (Speaker) and the Senate President;
- (4) Establishing that three public voting members be appointed by the Speaker and three public voting members be appointed by the Senate President; provided that:

- (A) Half of the members shall have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions; and
- (B) Appointments by the Speaker and Senate President are made by adoption of a concurrent resolution by a majority of members of each house;
- (5) Establishing procedures for filling certain vacancies when the Legislature is not in session; and
- (6) Establishing a transitional schedule for implementation of the appointments under this bill.

Hawaii Hotel & Lodging Association did not support this bill. The Department of Business, Economic Development, and Tourism and Starwood Hotel & Resorts opposed this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision that half of the public, voting members appointed by the Senate President and Speaker have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions;
- (2) Requiring that one of the three public, voting members appointed by the Speaker and Senate President shall have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions;
- (3) Changing its effective date to January 1, 2025, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1823, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1823, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1462 Tourism & Culture on S.B. No. 1816**

The purpose of this bill is to preserve and protect the Kohala Historic Sites State Monument (Monument) by requiring the Department of Land and Natural Resources (DLNR) to consult with the kahuna nui of the Mo'okini Heiau on all matters pertaining to the Mo'okini Heiau prior to making alterations or improvements to the Monument, except for routine maintenance.

DLNR and Mo'okini Luakini, Inc., supported this bill. The Office of Hawaiian Affairs supported this bill with amendments. Kamehameha Schools and Kohala Hawaiian Civic Club submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 1104, H.D. 1. As amended, this bill requires:

- (1) DLNR to consult with the kahuna nui of the Mo'okini Heiau prior to making alterations or improvements to the Monument, including the Mo'okini Heiau, except for routine maintenance; and
- (2) Prior to any additional organized profit-making venture involving the Monument, including the Mo'okini Heiau, the entity proposing the venture to consult with the kahuna nui of the Mo'okini Heiau.

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. 1816, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1816, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

**SCRep. 1463 Labor & Public Employment/Economic Development & Business Concerns on S.B. No. 1931**

The purpose of this bill is to ensure the availability of a qualified workforce in Hawaii by:

- (1) Establishing and appropriating funds for a 12-member Educational Workforce Working Group (Working Group) under the Department of Business, Economic Development, and Tourism (DBEDT), to examine and address workforce-related education issues;
- (2) Requiring the Department of Education (DOE) to include in its strategic plan, plans for workforce-related needs;
- (3) Requiring the University of Hawaii (UH) to submit a report to the Legislature on its workforce development efforts; and
- (4) Appropriating funds for positions to assist DOE with its workforce development efforts.

UH testified in support of this bill. DBEDT and DOE testified in support of the intent of this measure.

Currently, workforce needs in the State are not being adequately met and the situation is only expected to worsen due to the aging of the "baby boomer" generation. It is also unclear as to whether comprehensive, focused, and concerted educational efforts for workforce development are being undertaken by the DOE and the UH System. As education is the key to the development of an adequate workforce, determining how these educational needs are being met and what can be done to better meet the current and future workforce needs of the State is an important first step in finding a solution to this problem.

Although other entities currently exist to address workforce development issues, there is still a cohesive lack of understanding as to the educational needs and requirements facing the development of Hawaii's workforce. The establishment of a working group to explore and report to the Legislature on these educational issues will allow the Legislature to develop a more focused approach to meeting Hawaii's future workforce needs.

However, your Committees understand the concerns raised by DOE, that as currently drafted, the bill may overlap current DOE initiatives and notes that DOE is willing to work with the Committee on Finance to ensure that the language of this measure allows these initiatives to complement and enhance the work of the Working Group.



Your Committees also note that DBEDT requested that the Workforce Development Council (WDC), currently placed within the Department of Labor and Industrial Relations (DLIR) for administrative purposes, be transferred to DBEDT in order to better facilitate workforce development in Hawaii. Accordingly, your Committees have amended this bill by:

- (1) Inserting language transferring administrative oversight of the WDC from DLIR to DBEDT; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1931, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1931, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Brower, Evans, Hanohano, Luke, Nishimoto, Souki, Ching, Marumoto and Meyer.

**SCRep. 1464 Labor & Public Employment/Human Services & Housing on S.B. No. 1780**

The purpose of this bill is to assist individuals who provide attendant care and day care services authorized by the Department of Human Services by creating new exemptions under Hawaii's:

- (1) Unemployment Insurance (UI) Law;
- (2) Workers' Compensation Law;
- (3) Temporary Disability Insurance (TDI) Law; and
- (4) Prepaid Health Care Law.

The United Filipino Council of Hawaii, Home & Community Services of Hawaii, Inc., Catholic Charities Hawaii, Oahu Filipino Community Council, Filipino Coalition for Solidarity, Congress of Visayan Organizations, National Federation of Filipino American Associations, Nursing Advocates & Mentors, Inc., Philippine Nurses Association-Hawaii, Aloha Habilitation Services, Inc., Adult Foster Home Association of Hawaii, and numerous individuals testified in support of this bill. The State Council on Developmental Disabilities testified in support of the intent of this measure. Responsive Caregivers of Hawaii testified in opposition to this measure. The Department of the Attorney General (Attorney General), Department of Labor and Industrial Relations (DLIR), and a concerned individual submitted comments.

Currently, numerous individuals provide a valuable service to the State of Hawaii by serving as domestic caregivers, many of them through contracts with DHS. Recently, questions have arisen as to whether these caregivers, especially those attached to a nongovernmental provider agency, are independent contractors or employees. When these individuals have been ruled as employees, they have been subjected to Hawaii's employment laws resulting in skyrocketing operational costs.

Although your Committees recognize the concerns raised by the Attorney General and DLIR regarding the possible federal implications associated with this bill with regard to the Federal Unemployment Tax Act (FUTA) and the Employee Retirement Income Securities Act (ERISA), failure to provide relief from Hawaii's employment laws to these businesses may result in a public health crisis.

While this measure is deserving of further consideration, your Committees respectfully request the Committee on Finance further look at the effect this bill may have on ERISA and FUTA benefits experienced by the State and the impact this may have on the State's finances.

Your Committees also have concerns that, as currently written, the measure may have unintended consequences. Accordingly, your Committees have amended this bill by:

- (1) Clarifying that domestic service excluded from "employment" under Hawaii's UI Law also includes chore services and any other in-home and community based service as defined the Department of Health and Department of Human Services, for persons with developmental disabilities and mental retardation under the Medicaid Home and Community-Based Services Program;
- (2) Clarifying that adult day health services are not excluded from "employment" under Hawaii's UI law if the services are performed by:
  - (A) An individual who is under a contract between the individual and the recipient of social service payments and who shall be presumed to be in an independent contractor relationship unless the Director of Labor and Industrial Relations can demonstrate that the individual is engaged in a common law employer-employee relationship with the recipient of social service payments;
  - (B) A government employee;
  - (C) A nonprofit organization; or
  - (D) Indian tribes;
- (3) Allowing a recipient of social services payments to elect, in writing, to enter into an employee-employer relationship with the individual; and
- (4) Inserting language that includes chore service, residential habilitation, personal assistance/habilitation, skilled nursing, respite services, and any other in-home and community based services for persons with developmental disabilities and mental retardation under the Medicaid Home and Community-Based Services Program, with the exception of adult day health services performed by an individual whose services are contracted by a recipient of social service payments as domestic services, excluded from the requirements of Hawaii's TDI, Workers Compensation, and Prepaid Healthcare laws.

Your Committees have further amended this measure by:

- (1) Inserting a repeal date of July 1, 2061; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1780, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1780, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Mizuno, Takai and Tokioka.

**SCRep. 1465 Labor & Public Employment on S.B. No. 1642**

The purpose of this bill is to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Specifically, this measure:

- (1) Allows a public employer to negotiate over procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions; and
- (2) Subjects violations of negotiated and agreed upon procedures and criteria to the grievance procedure contained in a collective bargaining agreement.

The Hawaii Government Employees Association and Hawaii State Teachers Association testified in support of this bill. The Department of Human Resources Development, Office of Collective Bargaining, Judiciary, Department of Education, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Department of Personnel Services of the County of Maui, Honolulu Police Department, and Hawaii County Police Department testified in opposition to this measure.

Your Committee finds that pursuant to Act 399, Session Laws of Hawaii 1988, the Legislature amended subsection 89-9(d), Hawaii Revised Statutes (HRS), to expand the scope of collective bargaining in the public sector. The amendment was intended to protect contract provisions that would otherwise be considered invalid due to a literal interpretation of what are considered to be management rights.

Under current collective bargaining agreements, provisions regarding standards, criteria, and procedures relating to employee hiring, promotions, transfer, assignment, retention, suspension, demotion, discharge, disciplinary actions, layoffs, and displacement for lack of work and other similar personnel actions are widely incorporated and used.

Your Committee finds that negotiations over procedures and criteria of promotions, transfers, assignments, demotions, layoffs, suspension, terminations, discharges, or other disciplinary actions, and negotiations over the impact of transfers, assignments, and layoffs, are consistent with the underlying purpose of chapter 89, HRS. Exclusive representatives and public employees have negotiated over these subject matters since 1970. This measure attempts to clarify the rights of public employees to engage in collective bargaining under chapter 89, HRS, in light of recent court decisions, Hoopai v. Civil Service Comm'n, 106 Hawai'i 205 (2004) and United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005).

However, your Committee understands the concerns raised by public employers that this measure, as currently drafted, will hinder a public employer's ability to effectively manage public employees and provide the most efficient government operations the people of Hawaii deserve. It is the understanding of your Committee that the various parties involved are currently discussing amended language for this measure that would be acceptable to both labor and management and therefore this matter warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1642, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1466 Labor & Public Employment on S.B. No. 1950**

The purpose of this bill is to ensure that the state and county governments are able to maintain a qualified, stable, and experienced workforce in the face of unprecedented low unemployment and an aging workforce. Specifically, this bill authorizes the rehiring of state or county employees who have retired, without affecting the receipt of their retirement benefits and without accruing additional credit or benefits.

The Judiciary, Mayor of the County of Hawaii, Department of Education, Honolulu Police Department, Hawaii State Teachers Association, State of Hawaii Organization of Police Officers, and Office of Hawaiian Affairs testified in support of this bill. The Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Department of Personnel Services of the County of Maui, and Department of Human Resources of the County of Hawaii supported the intent of this measure. The Employees Retirement System submitted comments.

During this time of low unemployment and increased competition for the best and brightest employee candidates to fill positions in the workforce, it is often difficult for the state and county governments to fill positions. The filling of this positions is often necessary so that the state and county governments can continue to operate with a qualified and stable workforce. Rehiring retirees for hard to fill positions will help to achieve this goal, while allowing newer employees to gain the experience necessary to fill these positions in the future.

However, your Committee finds that concerns were raised that safeguards against abuse of the system were needed since employees may retire and collect retirement benefits and be immediately be rehired and collect a regular salary, in essence "double dipping". Concerns were also raised that the allowance to rehire retirees may result in any position being filled by a retiree to avoid the lengthy selection process necessary to fill vacant positions. Accordingly, your Committee has amended this bill by:

- (1) Stipulating that retirees may only be rehired to fill critical-to-fill or labor shortage positions; and
- (2) Requiring retirees to wait at least one calendar year before returning to government employment.

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. 1950, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1950, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1467 Judiciary on S.B. No. 17**

The purpose of this bill is to make government contracting less burdensome for small design firms by prohibiting government contracts under \$5,000,000 for design professionals services from requiring that the contractor defend the government against any liability, while maintaining the government's right to contractually require indemnification for any liability resulting from a contractor's negligence.

The Small Business Regulatory Review Board, American Institute of Architects Hawaii State Council, Cedric D.O. Chong & Associates, Incorporated, Coalition of Hawaii Engineering and Architectural Professionals, Engineering Concepts, Inc., Engineering Solutions, Inc., Fukunaga & Associates, Inc., The Limtiaco Consulting Group, Inc., Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc., SSFM International, Inc., Masa Fujioka & Associates, American Society of Civil Engineers, and American Council of Engineering Companies of Hawaii testified in support of this bill. The Department of the Attorney General (AG) supported the intent of this measure. The Department of the Corporation Counsel of the City and County of Honolulu testified in opposition to this bill.

Requiring design professionals to defend the government against any liability, shifts the risks of a public works project to a private contractor, making it difficult for smaller firms to enter into government contracts. However, your Committee understands the concerns raised by the AG regarding the size of contracts and the effect this bill may have on the State's and counties' ability to require indemnification. Accordingly, your Committee has amended this bill by:

- (1) Clarifying that the purpose of this bill is to prohibit certain types of provisions in governmental contracts entered into on or after July 1, 2007, and also to bar enforcement of certain provisions of existing contracts;
- (2) Reducing the limit of value of a contract subject to the prohibition from \$5,000,000 to \$1,000,000;
- (3) Providing indemnification for intentional or wrongful acts, errors, or omissions of the contractor as part of the allowed indemnification provisions for a governmental contracting agency, in addition to indemnification for negligence;
- (4) Revising the time limit for repose of actions for contracts already containing a defense provision to 10 years from substantial completion of a project, rather than 10 years from execution of the contract; and
- (5) Adding severability and constitutional claims clauses.

Your Committee has further amended this measure by:

- (1) Changing its effective date to July 1, 2112, 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, 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. 17, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1468 Judiciary on S.B. No. 1779**

The purpose of this bill is to ensure the safety and well-being of Hawaii's children by:

- (1) Establishing a two-year statewide task force to review, assess, and make recommendations on the State's system responses to cases of sexual crimes committed against and by children; and
- (2) Allowing the Family Court to pursue the option of legal guardianship for a child in appropriate cases.

The Attorney General, Catholic Charities Hawaii, FRIENDS of the Children's Justice Center of West Hawaii, and Sex Abuse Treatment Center testified in support of this bill. The Department of Human Services supported this bill in part. The Department of Education and Children's Justice Center supported the intent of this measure. The Friends of the Children's Justice Center of Maui provided 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 S.B. No. 1779, 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. 1779, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1469 Human Services & Housing on S.B. No. 1932**

The purpose of this bill is to ensure a clean and safe environment for Hawaii's students by:

- (1) Appropriating moneys from the general fund and the State Educational Facilities Special Fund to reduce the backlog of repair and maintenance projects for Department of Education (DOE) school facilities;
- (2) Appropriating general funds and authorizing the issuance of general obligation bonds to reduce the backlog of repair and maintenance projects for University of Hawaii facilities; and
- (3) Requiring DOE to identify suitable unused public school facilities and prepare them for use by early childhood education programs, and appropriating funds for this purpose.

The Department of Human Services supported the intent of this bill. DOE provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1932, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green, Takai and Awana.

**SCRep. 1470 Health/Public Safety & Military Affairs on S.B. No. 153**

The purpose of this bill is to ensure the health and safety of frail and elderly persons by appropriating funds to the Department of Health (DOH) to assess the structural integrity of all hospitals and nursing homes in Hawaii to determine their ability to withstand different types of natural disasters.

The Healthcare Association of Hawaii and Structural Engineers Association of Hawaii supported this bill. DOH did not support this measure. The Department of Defense submitted comments.

Your Committees have amended this measure by:

- (1) Removing nursing homes from the assessment and specifying that only state hospitals, instead of all hospitals, are to be included in the assessment; and
- (2) Making technical, nonsubstantive, amendments for style, clarity, and consistency.

Although nursing-home facilities have been removed from the assessment provisions contained in this bill, your Committees encourage continued discussion regarding the impact of natural disasters on nursing-home facilities and how best to protect such facilities. Your Committees support future legislative efforts to address these concerns.

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. 153, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 153, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Rhoads, Souki and Takumi.

**SCRep. 1471 Consumer Protection & Commerce on S.B. No. 53**

The purpose of this bill is to expand health insurance services by including marriage and family therapy in the substance abuse and mental illness treatment benefits required to be provided under accident and health or sickness insurance policies and similar insurance coverage.

Several concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that this measure seeks to provide consumers more mental health options and services through mandated health insurance benefits.

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

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

**SCRep. 1472 Consumer Protection & Commerce on S.B. No. 600**

The purpose of this bill is to provide an incentive for lessors to sell their fee interests in residential properties to lessees by temporarily excluding from taxable income 100 percent of the gain realized from the sale of the leased fee interest to the association of apartment owners or the residential cooperative corporation of the leasehold units.

The Hawaii Association of REALTORS, Hawaii Independent Condominium & Cooperative Owners, Hawaii Legislative Action Committee of the Community Associations Institute, Hawaii Council of Associations of Apartment Owners, Kuilima Estates West Association of Apartment Owners, Kuilima Estates East Association of Apartment Owners, Monarch Properties, Inc., Association of Apartment Owners of Diamond Head Beach Hotel and Residences, and several concerned individuals testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 600, H.D. 1.

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

**SCRep. 1473 Consumer Protection & Commerce on S.B. No. 1678**

The purpose of this bill is to ensure sufficient reimbursement for medical services by requiring health care plans to reimburse health care providers, as applicable:

- (1) One hundred percent of the Medicare reimbursement rate; or
- (2) One hundred ten percent of the Medicaid reimbursement rate;

in effect for the current year and updated for each calendar year thereafter.

This bill also provides for Medicaid reimbursement rates for outpatient hospital services and individual practitioners to be adjusted annually for inflation.

The Healthcare Association of Hawaii and Hawaii Pacific Health testified in support of this bill. The Hawaii Medical Service Association opposed this measure. The Department of Commerce and Consumer Affairs and Department of Human Services submitted comments.

Your Committee has amended this measure by replacing its entire contents with the provisions of H.B. No. 104, S.D. 2. As amended, this bill:

- (1) Establishes a process by which Medicaid reimbursement rates for individual practitioners are adjusted annually for inflation; and
- (2) Appropriates funds to:
  - (A) Retroactively adjust for inflation payments made to Medicaid fee-for-service practitioners during fiscal biennium 2005-2007; and
  - (B) Increase the Medicaid fee schedule to a percentage of the 2006 Medicare fee schedule for fiscal biennium 2007-2009.

Your Committee has further amended this measure by changing the effective date to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1678, 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. 1678, S.D. 2, H.D. 2.

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

**SCRep. 1474 Legislative Management on S.B. No. 1916**

The purpose of this bill is to improve the health and long-term care system by strengthening support for family caregivers. This bill:

- (1) Extends the life of the Joint Legislative Committee on Family Caregiving (Joint Committee) for one year to June 30, 2008;
- (2) Directs the Joint Committee to consider a paid family leave program under the temporary disability insurance law to provide wage replacement benefits to employees who serve as caregivers;

- (3) Expands the definition of "family caregiver" to include persons with no blood relationship with the care recipient as well as grandparents who serve as caregivers to their grandchildren;
- (4) Directs the Executive Office on Aging to conduct a needs assessment of the needs of care recipients as well as their family caregivers;
- (5) Appropriates funds to expand the Kupuna Care Program's in-home and access services and for direct services to family caregivers; and
- (6) Appropriates funds to assess the needs of grandparents raising grandchildren.

The Department of Community Services of the City and County of Honolulu, County of Hawaii Office of Aging, Honolulu Committee on Aging, Hawaii Aging Advocates Coalition, Child and Family Service, Catholic Charities Hawaii, Policy Advisory Board for Elder Affairs, Hawaii Alliance for Retired Americans, ILWU Local 142, National Multiple Sclerosis Society, Kokua Council, Alzheimer's Association-Aloha Chapter, and numerous concerned individuals testified in support of this bill. The Department of Health offered comments.

Your Committee has amended this bill by:

- (1) Changing the expending agency for the needs assessment relating to grandparents from the Executive Office on Aging to the Senate and House of Representatives; 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 Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1916, 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. 1916, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1475 Legislative Management on S.B. No. 1084**

The purpose of this bill is to enhance public access to the legislative process by appropriating an unspecified sum to provide archived and indexed video and audio streams of legislative proceedings on the Internet.

The League of Women Voters of Hawaii and Olelo Community Television testified in support of this bill.

A process known as "streaming media" or "webcasting" allows audio or video 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 would provide greater public access to the legislative process at a low cost to the State.

Archiving and indexing video and audio streams would further increase public access. Archiving allows users to view or listen to legislative proceedings at their own convenience. By segmenting the programs, indexing would allow users to advance to different portions of the program similar to advancing to the next song on an audio CD.

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. 1084, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1476 Legislative Management on S.B. No. 1711**

The purpose of this bill is to improve the ability of the legislative service agencies to hire and retain the most qualified individuals by increasing the maximum salary payable to the first assistant or first deputy in the Office of the Auditor, Legislative Reference Bureau (LRB), and Office of the Ombudsman from not more than 87 percent to not more than 92 percent of the salary of the respective agency's director.

The Auditor, Ombudsman, LRB, and the Hawaii State Teachers Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1711 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1477 Legislative Management/Judiciary on S.B. No. 331**

The purpose of this bill is to prevent identity theft by supporting the efforts of the Identity Theft Task Force to develop additional deterrents, especially those related to the compromise of electronic data and information as well as social security numbers in public records. This bill appropriates funds for the Office of the Auditor to continue to provide research and support services.

The Consumer Data Industry Association, Retail Merchants of Hawaii, Hawaii Financial Services Association, and concerned individuals testified in support of this bill.

As affirmed by the records of votes of the members of your Committees on Legislative Management and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 331, 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 Caldwell, Ito, McKelvey, Souki, Finnegan and Thielen.

**SCRep. 1478 Judiciary on S.B. No. 959**

The purpose of this bill is decrease the backlog of Hawaii's warrant system by appropriating funds for:

- (1) The establishment of an automated centralized warrant management system by the Hawaii Criminal Justice Data Center of the Department of the Attorney General (AG) that can be accessed by all law enforcement personnel; and
- (2) Additional sheriffs' positions and vehicles dedicated exclusively to servicing and executing warrants.

The Judiciary and Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of the intent of this bill. The Department of Public Safety and AG testified in opposition to this measure.

Although none of the agencies testifying at the hearing desire to take on the task of establishing a centralized warrant management system, your Committee notes that this measure has an effective date well beyond the dates of the appropriation. Consequently, further discussion of this measure may provide a resolution.

As affirmed by the record of votes of 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. 959, 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 Ito, Morita, Souki and Thielen.

**SCRep. 1479                    Judiciary on S.B. No. 1163**

The purpose of this bill is to assist foster youth in their transition toward independence by requiring foster youth 14 years of age or older who are in permanent custody or foster custody to participate in an age appropriate independent living program to learn basic life skills.

The Department of Human Services, Legal Aid Society of Hawaii, and Partners in Care testified in support of this bill.

Your Committee has amended this bill by:

- (1)            Requiring that a child's legal custodian also be served notice of all hearings subsequent to a permanent plan hearing; and
- (2)            Making technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163, 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. 1163, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, Souki and Thielen.

**SCRep. 1480                    Judiciary on S.B. No. 156**

The purpose of this bill is to increase voter participation by authorizing a comprehensive election by mail program for all elections.

The Chief Election Officer, Disability and Communication Access Board, and AARP Hawaii supported this bill. The Office of the County Clerk of the County of Hawaii, Office of the County Clerk of the County of Maui, Office of the County Clerk of the County of Kauai, and the Office of the City Clerk of the City and County of Honolulu submitted comments.

Your Committee understands the need to promote increased voter participation in our state. However, your Committee is concerned that the comprehensive vote-by-mail system proposed in this measure may prove too burdensome and complex to implement.

Upon further consideration, your Committee has amended this measure by replacing its contents with the contents of House Bill No. 764, H.D. 1. As amended, this bill allows voters the option of receiving permanent absentee voter status, subject to certain conditions, and also contains safeguards to prevent abuse of this status.

Your Committee notes that allowing permanent absentee voting does not prevent voters who may wish to continue voting at polling places to do so.

As affirmed by the record of votes of 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. 156, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 156, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, Souki and Thielen.

**SCRep. 1481                    Judiciary on S.B. No. 948**

The purpose of this bill is to propose a constitutional amendment to reduce the number of nominees for:

- (1)            Vacancies in the office of the chief justice, supreme court, intermediate appellate court, and circuit courts, from between four and six nominees, to three nominees; and
- (2)            District court vacancies from not less than six nominees to three nominees.

The Mestizo Association testified in support of this bill. The Attorney General, Judicial Selection Commission (JSC), and Hawaii State Bar Association opposed this measure. The League of Women Voters of Hawaii provided comments.

Your Committee has amended this bill by:

- (1)            Specifying that the number of nominees presented to the Governor by JSC for the Supreme Court, Intermediate Court of Appeals, and Circuit Courts be reduced from between four and six nominees to between three and five nominees;
- (2)            Requiring JSC to rank the nominees based on suitability and qualifications for the vacancy;
- (3)            Specifying that JSC present to the Chief Justice between three and five nominees for vacancies in the district courts; 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. 948, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 948, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Ito, Luke, Morita, Sonson, Souki and Thielen.

**SCRep. 1482                    Judiciary on S.B. No. 1499**

The purpose of this bill is to conform Hawaii tax law to federal tax law as it relates to tax administration and criminal tax enforcement.

The Department of Taxation (DOTAX) testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee agrees that DOTAX should be afforded additional methods for enforcing the State's tax laws and for deterring abuse of tax shelters and understatements of liability by tax return preparers. However, your Committee is concerned about the removal of the statute of limitations requirements for the various tax laws specified in sections 6 through 10 of this bill, and respectfully encourages the Committee on Finance to explore this matter further.

Your Committee has amended this bill by:

- (1) Deleting the provision requiring the reduction of penalty amounts for strict liability for understatement by a tax return preparer from an amount assessed for wilful or reckless understatement of liability;
- (2) Changing the effective date to July 1, 2112, 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 S.B. No. 1499, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1499, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1483 Higher Education on S.B. No. 1154**

The purpose of this bill is to provide more flexibility to the University of Hawaii (UH) in the financing and administering of the construction and maintenance of university projects, university systems, or networks.

UH supported this bill with amendments. The Department of Budget and Finance opposed this measure. The Department of the Attorney General offered comments.

Your Committee has amended this bill by:

- (1) Maintaining the power of the UH Board of Regents (BOR) to construct and maintain university projects, including a university project included or to be in a university system;
- (2) Authorizing the BOR to combine two or more, rather than one or more, university projects, university systems, or university projects and university systems into a network;
- (3) Authorizing the BOR, with the approval of the Governor, to issue a total principal amount of no more than \$100,000,000 in revenue bonds to finance the costs of construction or the costs of maintenance of any university project;
- (4) Clarifying that the BOR is authorized to issue revenue bonds for the purpose of refunding revenue bonds;
- (5) Requiring UH to submit an annual report to the Legislature, which should provide a summary of all revenue bonds issued during the preceding fiscal year; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1154, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1154, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1484 Public Safety & Military Affairs on S.B. No. 781**

The purpose of this measure is to increase the State's preparedness for emergencies.

Specifically, this measure appropriates moneys to the Department of Defense for the development and planning, including a feasibility study, of a statewide fire and emergency training facility. Additionally, this measure appropriates moneys for a public education campaign on natural disaster preparedness.

Testimony in support of this measure was received from the State Fire Council. The Department of Defense submitted comments.

Your Committee finds that it is necessary to ensure that fire fighters and other emergency first responders throughout the State are prepared to react to natural and manmade disasters that may arise. The creation of a training facility will help ensure that they receive the necessary training to be adequately prepared for a wide range of disaster scenarios and safety-related tasks.

Accordingly, your Committee has amended this measure by removing its contents and replacing it with the text from H.B. No. 625, H.D. 1. As amended, this measure appropriates \$1 for the 2007-2008 fiscal year to the Department of Labor and Industrial Relations for a consultant feasibility study for a Hawaii state public safety and emergency response training facility. Your Committee also amended this measure by changing the effective date to July 1, 2015, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 781, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 781, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1485 Public Safety & Military Affairs on S.B. No. 796**

The purpose of this measure is to ensure that the State is prepared for natural disasters and other catastrophic occurrences.

Specifically, this measure:

- (1) Authorizes general obligation bonds to fund the installation of additional sirens to the state civil defense warning system;
- (2) Permits the Governor to order the release of up to ten per cent of interest earned on funds in the emergency and budget reserve fund to provide grants of emergency assistance up to an unspecified dollar amount for an unspecified percentage of uninsured damages after a natural disaster;

- (3) Appropriates an unspecified amount of funds for:
- (A) Emergency supply caches;
  - (B) The state civil defense major disaster fund;
  - (C) Non-declared disaster activation and response;
  - (D) The state civil defense emergency supply program; and
  - (E) The Ethnic Education Foundation of Hawaii to assist them in disseminating information in the event of a disaster.

Testimony in support of the measure was received from the Asian American Network for Cancer Awareness, Research, and Training, the Congress of Visayan Organizations, the Ethnic Education Foundation of Hawaii, the Filipino Coalition for Solidarity, the National Federation of Filipino American Associations, Nursing Advocates and Mentors, Inc., the Oahu Filipino Community Council, the Philippine Nurses Association-Hawaii, the United Filipino Council of Hawaii, and one individual. The Department of Budget and Finance and the Department of Defense submitted comments.

Your Committee finds that the State, the counties, and private agencies have greatly improved their ability to respond to natural disasters and other catastrophes. However, more needs to be done to upgrade equipment and decrease coverage gaps in existing warning systems. Similarly, the development of new residential housing within tsunami inundation zones needs to incorporate warning systems that can be linked to civil defense systems.

Your Committee also finds that it is important to ensure that victims of natural disasters receive prompt emergency relief after a natural disaster. It is also imperative that statewide dissemination of information is provided in a format that is accessible and understandable by everyone, including those who do not speak or read English and those with special communications needs.

Your Committee has amended this measure by:

- (1) Deleting the authorization for the Director of Finance to issue general obligation bonds to finance the installation of additional sirens for the state civil defense warning system;
- (2) Requiring the counties to condition the approval of permits for the construction of new residential housing in tsunami inundation zones on the installation of tsunami warning sirens;
- (3) Requiring the disability communications access board to identify and report to the Legislature on internationally recognized symbols to be used in the event of a disaster or emergency to communicate notice through visual digital communications to persons that do not understand verbal or written communications; and
- (4) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 796, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 796, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Sonson, Souki, Takamine and Pine.

**SCRep. 1486 Public Safety & Military Affairs on S.B. No. 798**

The purpose of this measure is to grant taxpayers a one-time earthquake victim tax credit equal to the costs of damages to real or personal property caused by the October 15, 2006 earthquakes.

Your Committee received comments on the measure from the Department of Defense and the Tax Foundation of Hawaii. The Department of Taxation submitted testimony expressing strong concerns with this measure.

Your Committee finds that this measure will provide some level of financial relief to victims of the earthquakes because many victims did not carry earthquake insurance on their real property.

Your Committee has amended this measure by making emergency appropriations out of the emergency and budget reserve fund for the current fiscal year 2006-2007 for emergency repairs to facilities and fixtures damaged by the earthquakes, specifically, Hulihe'e Palace in Kailua-Kona and the deep water pipelines of the Natural Energy Laboratory of Hawaii Authority, and by including the required declarations of findings and the purposes for such appropriations.

Your Committee finds that these amendments to provide financial relief to the executive branch are appropriate to cover the sustained earthquake damages to described facilities and fixtures. Furthermore, your Committee notes that although the emergency appropriations being added to this measure are for fiscal year 2006-2007, your Committee has left the effective date of this measure as is to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 798, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1487 Public Safety & Military Affairs on S.B. No. 917**

The purpose of this bill is to return female inmates who are residents of the State of Hawaii, to study the feasibility of additional prison facilities, and to ensure proper monitoring of Hawaii inmates on the mainland.

More specifically, the bill:

- (1) Requires the Department of Public Safety to develop a plan to return all female prisoners, who are residents of Hawaii and incarcerated on the mainland, to Hawaii by July 1, 2009 and to report to the Legislature on the plan prior to the 2008 Regular Session;
- (2) Provides funding for the development of the plan;



- (3) Requires the Department to conduct a study to determine three possible sites for a minimum security prison facility and report findings to the Legislature prior to the 2008 Regular Session;
- (4) Requires the Department of Public Safety, together with the Office of Planning, to study the feasibility of selling or leasing the Oahu community correctional center and to use generated funds to build a new, larger correctional facility; and
- (5) Requires the mainland branch of the corrections division of the Department of Public Safety to submit quarterly reports about each Hawaii resident who is incarcerated on the mainland.

Your Committee received testimony in support of the measure from the Community Alliance on Prisons, the Hawaii Substance Abuse Coalition, and one individual. One individual submitted comments and the Department of Public Safety submitted testimony in opposition of the measure.

Your Committee recognizes that approximately eighteen hundred Hawaii inmates are incarcerated in mainland prisons because of a lack of available facilities in Hawaii. The absence of incarcerated parents often has a devastating effect on their minor children, and the negative impact is stronger when the place of incarceration is a mainland facility, and family visits are rare.

Your Committee believes that this measure represents a significant step in improving the conditions of inmates during their incarceration at home or on the mainland and in their later reentry to society by addressing overcrowded conditions in correctional facilities and by returning Hawaii residents to local facilities, closer to the support of family and friends.

Your Committee has amended this measure by changing the effective date to July 1, 2015, to facilitate further discussion on these issues.

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. 917, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 917, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1488 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 932**

The purpose of this bill is to provide a comprehensive re-entry system for incarcerated persons rejoining the community by:

- (1) Establishing an offender re-entry system to help adult offenders prepare for release and reintegration back to the community;
- (2) Establishing a stakeholders committee and appropriating funds for demonstration projects;
- (3) Establishing a two-year pilot day-reporting center administered by the Department of Public Safety (DPS);
- (4) Appropriating funds for the expansion of the Restorative Circles Pilot Program to other correctional facilities statewide;
- (5) Authorizing the Hawaii Paroling Authority to parole committed persons to any county in the state where they will receive the greatest support to successfully reintegrate into the community;
- (6) Appropriating funds for a grant to Maui Economic Opportunity, Inc., for the administration of community-based reintegration programs; and
- (7) Appropriating funds to DPS to provide a cognitive restructuring and transition pilot program in the County of Hawaii.

The Mayor of the County of Hawaii, Office of Housing and Community Development of the County of Hawaii, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, Office of Hawaiian Affairs, American Civil Liberties Union of Hawaii, Maui Economic Opportunity, Inc., BEST Reintegration Program, Drug Policy Forum of Hawaii, and numerous concerned individuals testified in support of this bill. The Hawaii Paroling Authority and Department of Labor and Industrial Relations testified in support of the intent of this measure. The Department of Taxation (DoTAX) testified in opposition to a part of this bill. DPS and the Department of Human Services (DHS) submitted comments.

Your Committees have amended this bill by:

- (1) Deleting language establishing the Director of DHS' roles and responsibilities in regard to dealing with children of incarcerated parents;
- (2) Removing DoTAX as an assisting agency in the development and proposal, for legislative enactment, of tax incentives for employers who hire individuals who were formerly incarcerated; and
- (3) Clarifying that the Director of Public Safety shall return Hawaii inmates held in out-of-state prisons at least one year prior to the inmate's parole date or release date in order for these inmates to participate in programs preparing them for reentry on the island where they have the most support.

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

As affirmed by the records of votes of the members of your Committees on 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. 932, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 932, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Takamine, Takumi and Pine.

**SCRep. 1489 Public Safety & Military Affairs on S.B. No. 914**

The purpose of this bill is to provide funds to the Department of Public Safety (DPS) to remedy the inadequacies of mental health care services to committed persons in Hawaii state correctional facilities, including:

- (1) Inadequate staffing, including a lack of a Director of Mental Health Services and trained mental health professionals;
- (2) A lack of individualized treatment planning and documentation;
- (3) A confusing and inconsistent organizational structure;
- (4) Outdated and unused policies and procedures; and

- (5) Inadequate access to psychiatric hospitalization.

The Department of the Attorney General, Hawaii Disability Rights Center, Community Alliance on Prisons, and a concerned individual supported this bill. DPS submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, 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 Sonson, Souki, Takamine and Pine.

**SCRep. 1490 Public Safety & Military Affairs on S.B. No. 1112**

The purpose of this bill is to provide incarcerated women and girls with the necessary comprehensive reentry, community wrap-around, and case management services through the expansion of effective programs linking substance abuse, criminal justice, public health, housing, and employment services by appropriating funds to the Department of Public Safety (DPS) and the Office of Youth Services (OYS) for the expansion of gender-responsive, community-based programs for women and girls.

The Planned Parenthood of Hawaii's Action Network, Hawaii WomenWork!, Drug Policy Forum of Hawaii, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and several concerned individuals supported this bill. DPS and OYS submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1112, 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 Sonson, Souki, Takamine and Pine.

**SCRep. 1491 Public Safety & Military Affairs on S.B. No. 1174**

The purpose of this bill is to support the continuation and expansion of parent-child interaction programs, such as the Strengthening Keiki of Incarcerated Parents (SKIP) project, at other state correctional facilities and institutions to facilitate appropriate interactions and bonding between offender parents and their children.

The Community Alliance on Prisons, SKIP Partnership, Office of Hawaiian Affairs, Keiki O Ka Aina Family Learning Centers, and several concerned individuals supported this bill. The Department of Public Safety submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1174, 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 Nakasone, Sonson, Souki, Takamine, Takumi and Pine.

**SCRep. 1492 Public Safety & Military Affairs on S.B. No. 1968**

The purpose of this bill is to allow National Guard personnel on state active duty to deposit their paycheck by electronic transfer to their personal banking accounts.

The Department of Defense, Hawaii National Guard Association, and Chamber of Commerce of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1968 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

**SCRep. 1493 Public Safety & Military Affairs on S.B. No. 1969**

The purpose of this bill is to provide increased educational opportunities for Hawaii National Guard members by:

- (1) Broadening the scope of the tuition assistance provided to Hawaii National Guard members attending the University of Hawaii; and
- (2) Appropriating funds to support this initiative.

The Hawaii National Guard Enlisted Association, Hawaii National Guard Association, National Guard Association of Hawaii Insurance Trust, Chamber of Commerce of Hawaii, and several concerned individuals supported this bill. The Department of Defense and University of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Specifying that students pursuing an undergraduate degree will receive first consideration for tuition funding; and
- (2) Changing the effective date to July 1, 2007.

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. 1969, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1969, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1494 Public Safety & Military Affairs on S.B. No. 1425**

The purpose of this bill is to ensure that an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster by issuing emergency contractor's licenses to qualified out-of-state contractors.

State Farm Insurance Company supported this bill. The Subcontractors Association of Hawaii supported this measure with amendments. The Contractors License Board (Board) submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing the Board to establish an Emergency Contractors Recovery Fund to assist in covering liability costs for persons injured as a result of work performed by a contractor licensed pursuant to this bill;
- (2) Authorizing the Board to collect fees from applicants for an emergency contractor's license;

- (3) Requiring a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (4) Requiring that an applicant for an emergency contractor's license provide:
  - (A) Proof of workers' compensation, property damage, and liability insurance in an amount not less than \$300,000 per occurrence and \$600,000 in the aggregate;
  - (B) A current financial statement prepared by a certified public accountant;
  - (C) A credit report; and
  - (D) Proof of intent to pay any and all applicable state general excise taxes by means of a state tax clearance statement;
- (5) Clarifying that a contractor who is issued an emergency contractor's license is subject to requirements set by Hawaii's contractor laws under Chapter 444, Hawaii Revised Statutes;
- (6) Specifying that an emergency contractor's license shall only be valid during the period that the emergency exists; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1425, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1495 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1946**

The purpose of this bill is to increase the safety and effectiveness of dams and reservoirs and prevent future dam failures in the state. Specifically, this bill, among other things:

- (1) Requires the owner of each dam to hold a valid certificate of approval to impound water;
- (2) Allows authorized personnel of the Department of Land and Natural Resources (DLNR) to enter upon any property, public or private, at reasonable times, without notice, to investigate the condition or operation of any dam;
- (3) Makes it unlawful to refuse entry to any authorized personnel of DLNR to inspect a dam or reservoir;
- (4) Grants DLNR rights to injunctive relief to enforce the provisions of chapter 179D, Hawaii Revised Statutes (Dam Safety Act);
- (5) Allows DLNR, in cases of emergency, to employ immediate remedial measures, at the cost of the owner of a dam or reservoir, to protect life and property;
- (6) Establishes a Dam and Reservoir Safety Special Fund to implement the Dam Safety Act;
- (7) Allows liens to attach to the property of a dam or reservoir owner for the costs of any remedial measures taken by DLNR;
- (8) Requires dams and reservoirs completed prior to the effective date of this bill to apply for a certificate of approval to impound water;
- (9) Requires dams or reservoirs up to 90 percent completed on the effective date of this measure to submit, for approval by DLNR, plans and specifications for any dam or reservoir construction, enlargement, repair, or removal, prior to commencing the work contemplated;
- (10) Requires DLNR to submit annual reports to the Governor and Legislature relating to the Dam Safety Act;
- (11) Requires dam and reservoir owners regulated by the Dam Safety Act to, among other things:
  - (A) Maintain an operation and maintenance plan, including an inspection and monitoring program;
  - (B) Establish an emergency action plan for high and significant hazard potential dams and reservoirs;
  - (C) Facilitate access by any necessary state agency or representative to the dam, reservoir, or appurtenances; and
  - (D) Furnish, upon request, plans, specifications, operating and maintenance data, and other pertinent information;
- (12) Establishes administrative penalties of up to \$25,000 per day for violations of the Dam Safety Act, or any rule, order, or condition adopted pursuant to the Act;
- (13) Allows the Board of Land and Natural Resources (BLNR) to catalog and maintain an inventory of all regulated dams and reservoirs under the Dam Safety Act;
- (14) Makes it a class C felony for any person to negligently or with notice, violate the Dam Safety Act, or any rule, order, or condition adopted pursuant to the Act;
- (15) Permits a dam or reservoir owner to continue to impound water while in the process of applying for a certificate of approval to impound water, unless BLNR determines that the dam or reservoir poses a danger to the health and safety of persons or property;
- (16) Appropriates into and out of the Dam Safety Special Fund an unspecified amount; and
- (17) Makes other amendments to existing sections of the Dam Safety Act, for purposes of consistency with new provisions to the Act.

The Office of Hawaiian Affairs supported the intent of this measure. DLNR supported this measure with amendments. Kamehameha Schools opposed this bill. The Department of the Attorney General, Hawaii Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Dole Food Company Hawaii, and Gay & Robinson, Inc., provided comments.

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

- (1) Changing the citation of the Hawaii Dam Safety Act of 2007 to the Hawaii Dam and Reservoir Safety Act of 2007;
- (2) Limiting the application of the Dam Safety Act to certain, instead of all, dams and reservoirs in the state;
- (3) Requiring either the operator or the owner of a dam or reservoir to hold a certificate of approval to impound water;
- (4) Inserting a definition for "physical clear access";
- (5) Inserting a provision that gives the State, BLNR, or DLNR, or any employee of the State, BLNR, or DLNR immunity from actions for damages sustained by the failure of private dams or reservoirs regulated by the Dam Safety Act;
- (6) Deleting the provision that authorizes BLNR to assess criminal penalties for violation of the Dam Safety Act;
- (7) Clarifying that the Dam Safety Act applies to both dams and reservoirs; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that by limiting the application of the Dam Safety Act to certain, instead of all dams and reservoirs in the state, DLNR will be able to exempt, by rule, low hazard dams and reservoirs and concentrate its efforts on the dams and reservoirs that pose the greatest threat to the public.

Your Committee further notes that while the appropriation amount has been left blank for the appropriate amount to be inserted by the Committee on Finance, the Special Deputy Attorney General Godbey recommended a \$2,000,000 initial appropriation into the Dam Safety Special Fund to allow DLNR to address emergency situations.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1946, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1946, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

**SCRep. 1496 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on S.B. No. 1943**

The purpose of this bill is to encourage the production and use of biofuels and energy feedstock in Hawaii by:

- (1) Adding biofuels processing facilities to the list of permitted uses for agricultural lands; and
- (2) Establishing an energy feedstock program in the Department of Agriculture.

The Department of Business, Economic Development, and Tourism, University of Hawaii, Department of Agriculture and Hawaii BioEnergy supported this bill. Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported the intent of this measure. Enterprise Honolulu opposed this bill. The Department of Planning and Permitting of the City and County of Honolulu, Maui County Farm Bureau, and Imperium Renewables Hawaii, LLC, submitted comments.

Your Committees have amended this measure by:

- (1) Deleting provisions that:
  - (A) Establish a non-renewable, three-year period where importation of feedstock and fuels is allowed; and
  - (B) Require, after the expiration of the three-year period, that a majority of the feedstock from biomass and oil crops be grown within the state;
 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 Water, Land, Ocean Resources & Hawaiian Affairs and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1943, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1943, S.D. 2, H.D. 1, and be referred to the Committee on Agriculture.

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

**SCRep. 1497 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 1756**

The purpose of this bill is to establish a state agricultural land protection program for the voluntary acquisition of agricultural easements on lands identified and designated as important agricultural lands (IALs) by, among other things:

- (1) Establishing the Agricultural Land Protection Foundation (Foundation);
- (2) Requiring the Foundation to adopt rules for, among other things, the evaluation and selection of agricultural easements on IALs, as defined in Chapter 205, Hawaii Revised Statutes (HRS);
- (3) Allowing the Foundation to acquire agricultural easements on IALs;
- (4) Providing that the sale or donation of an agricultural easement on IALs is eligible for tax incentives;
- (5) Restricting lands subject to an agricultural easement to agricultural uses; and
- (6) Establishing the Agricultural Land Protection Fund for the purchase of agricultural easements.

The Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Agricultural Research Center testified in support of this bill. The Office of Planning and the Department of Budget and Finance supported the intent of this bill. The Department of Taxation, Hawaii Association of REALTORS, and several concerned individuals provided comments.

Upon careful consideration, your Committees have amended this bill by substituting the language in the Senate draft with language from House Bill No. 1922, H.D. 1. As amended, this bill, among other things:

- (1) Expedites the designation of IALs by the Land Use Commission (LUC) by:
  - (A) Repealing the existing petition process for landowners or farmers who wish to designate their lands as IALs, and establishing a revised landowner petition process for IAL designation;
  - (B) Exempting the landowner petition process from the stipulation that legislation establishing incentives and protections for IALs be enacted for the designation to take effect;
  - (C) Repealing the county process for identifying and mapping IALs;
  - (D) Requiring the LUC to, in consultation with certain other private and public entities, identify and designate lands as IALs; and
  - (E) Allowing the LUC to initiate designation of IALs;
- (2) Establishes a list of permissible uses for IALs; and
- (3) Revises the list of permissible uses for agricultural lands.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1756, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1756, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes, Morita, Tsuji, Wakai, Meyer and Thielen.

**SCRep. 1498 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 1219**

The purpose of this bill is to allow the counties to petition the Land Use Commission (LUC) to reclassify certain lands containing existing residences in the agricultural district to a district in which those dwellings are a permissible use for a one-year period, and requiring the LUC to execute the reclassification upon a finding that the requirements are met. The requirements are that the lands:

- (1) Are situated within an agricultural district with soil classified by the land study bureau's detailed land classification as having an overall (master) productivity rating class other than A or B;
- (2) Are not situated within lands designated as important agricultural lands (IALs);
- (3) Contain parcels of land that can be clustered within a reasonably bounded geographic area to ensure the remaining agricultural lands are not fragmented and remain, as reasonably possible, a contiguous tract of land in the agricultural district; and
- (4) Maintain the minimum lot size and density requirements for the agricultural use established under Chapter 205, Hawaii Revised Statutes.

The Land Use Research Foundation of Hawaii testified in support of this bill. The Department of Agriculture supported the intent of this measure. The Office of Planning supported this bill with amendments. A member of the Kauai County Council, Sierra Club-Hawaii Chapter, Hawaii's Thousand Friends, Hawaii Invasive Species Management & Education Corporation, and several concerned individuals opposed this measure.

Upon careful consideration, your Committees have amended this bill by deleting its substance, which would have retroactively permitted existing residential uses on agricultural lands, and inserting language that:

- (1) Requires the counties to adopt ordinances establishing:
  - (A) Permitted uses;
  - (B) Standards required for infrastructure systems; and
  - (C) Levels of county services,
 for lands within urban, rural, and agricultural districts;
- (2) Provides an incentive for landowners to reclassify qualified agricultural lands to IALs by allowing the expedited reclassification of up to five percent of the area of the land designated as IALs of agricultural land to rural, provided that:
  - (A) Lands designated as IALs must be so designated for at least 50 years, subject to monetary penalties for reclassification prior to the expiration of the 50-year commitment period; and
  - (B) Lands designated as IALs and the lands sought to be reclassified from agricultural land to rural must be within the same county;
- (3) Sets forth the permissible uses on lands designated as IALs and provides exceptions;
- (4) Allows experimental and demonstration housing projects on rural lands;
- (5) Expands the permissible uses in the rural district to allow uses currently permitted in the agricultural district in the rural district; and
- (6) Includes lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class C and D in the agricultural lands.

Your Committees have also amended this bill by:

- (1) Changing the effective date to take effect upon its approval; 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 Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1219, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1219, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Herkes, Morita, Tsuji, Wakai, Meyer and Thielen. (Representatives Carroll, Hanohano and Saiki voted no.)

**SCRep. 1499                    Judiciary on S.B. No. 96**

The purpose of this bill is to ensure the safety and welfare of children enrolled in the public school system and users of the public library system by:

- (1) Providing for a program of controlled substance testing based on reasonable suspicion of Department of Education (DOE) employees, including teacher trainees and Hawaii State Public Library System employees, who work in close proximity to children, as follows:
  - (A) Requiring DOE to develop procedures for controlled substance testing;
  - (B) Requiring the employer to place employees who refuse the test on administrative leave for 30 days;
  - (C) Authorizing the employer to impose certain sanctions on employees whose test results are positive and who, as a result of their use of controlled substances, negatively influence children; and
  - (D) Requiring DOE to provide for substance abuse assessment, treatment, and counseling, and referral to the employee assistance program, if DOE retains an employee whose test results are positive;
- (2) Expanding the category of individuals subject to criminal history record checks as a condition of DOE employment by authorizing DOE to conduct criminal history record checks on any employee, provider, subcontractor, or trainee from an institution of higher education who enters or intends to enter into a contract with or is currently contracted by DOE to provide services in close proximity to children;
- (3) Authorizing DOE to pass on the cost of a criminal history record check to the applicants, providers, subcontractors, and trainers (not employees) subject to the checks; and
- (4) Appropriating funds to DOE for the costs of conducting criminal history record checks.

DOE, the University of Hawaii and Hawaii Government Employees Association testified in support of the intent of this bill. The American Civil Liberties Union of Hawaii, Drug Policy Action Group, and Drug Policy Forum of Hawaii testified in opposition to this measure. The Department of the Attorney General submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that DOE shall develop procedures for individualized, rather than reasonable, suspicion to avoid the initiation of drug testing on an unsubstantiated basis;
- (2) Eliminating the refusal of the issuance of a teaching or other educational certificate and revocation of a teaching or other educational certificate as sanctions an employer may impose on employees whose test results are positive; and
- (3) Removing language allowing DOE to conduct investigations, notifications, or hearings without regard to the rulemaking process of Chapter 91, Hawaii Revised Statutes.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 96, S.D. 3, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 96, S.D. 3, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1500                    Judiciary on S.B. No. 1928**

The purpose of the bill is to:

- (1) Authorize and fund an investigative unit in the Office of the Auditor to conduct investigations involving alleged or suspected government waste, fraud, abuse, nonfeasance, or malfeasance; and
- (2) Appropriate funds for the completion of the work of the Hawaii 2050 Task force.

The Office of the Auditor and Windward Ahupua'a Alliance testified in support of this bill. The Department of the Attorney General submitted comments.

Your Committee amended the measure by:

- (1) Changing the effective date to July 1, 2112, to continue further discussion; and
- (2) Making technical and 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. 1928, 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. 1928, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Caldwell, Ito, McKelvey, Morita, Souki and Thielen.

**SCRep. 1501      Judiciary on S.B. No. 1412**

The purpose of this bill is to expand the authority of the Department of Commerce and Consumer Affairs' (DCCA) insurance fraud investigations unit from prosecuting only motor vehicle insurance fraud to prosecuting fraud in all lines of insurance under Title 24, Hawaii Revised Statutes (HRS).

DCCA, the Department of the Attorney General (AG), Hawaii Association of Health Plans, Hawaii Medical Service Association, ILWU Local 142, National Association of Insurance and Financial Advisors Hawaii, State Farm Insurance Companies, and the American Council of Life Insurers testified in support of this bill.

Your Committee finds that:

- (1) Hawaii's existing insurance fraud law should be more comprehensive in its scope to address various types of insurance and fraud claims;
- (2) This bill is not intended to address, nor does it include in its scope, claims relating to workers' compensation or any other claims arising from Chapter 386, HRS; and
- (3) According to AG, the proposed section 421:2-C(a)(13), HRS, relating to aiding, agreeing, or conspiring to commit insurance fraud may already be addressed in other provisions of HRS.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2112, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1412, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1412, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1502      Economic Development & Business Concerns on S.B. No. 188**

The purpose of this bill is to improve the procedures by which rules that impact small businesses are reviewed under the Small Business Regulatory Flexibility Act by requiring:

- (1) Agencies to submit the small business impact statement when proposed rules are essentially complete and before they are submitted to the Governor for approval for public hearing;
- (2) The Small Business Regulatory Review Board (Board) to review not only rules requested by small businesses, but any new or proposed rule;
- (3) The Ombudsman to be forwarded a copy of small business petitions for review of rules and of all rules affecting small business adopted in the previous five years; and
- (4) The Board to conduct a review every five years, of new rules adopted in the past five years that affect small businesses.

The Department of Business, Economic Development, and Tourism Small Business Regulatory Review Board, and Hawaii Business League supported this bill. The Office of the Ombudsman provided comments.

Your Committee has amended this bill by:

- (1) Eliminating references to the Ombudsman;
- (2) Requiring the Board to inform small businesses whose complaints have not been upheld, that the business may submit a complaint to the Ombudsman;
- (3) Reinstating the biennial schedule for review of rules affecting small businesses; 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, 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 Berg, Ching and Marumoto.

**SCRep. 1503      Economic Development & Business Concerns on S.B. No. 707**

The purpose of this bill is to:

- (1) Encourage investment in business in targeted low-income communities in Hawaii; and
- (2) Benefit from the infrastructure established by the successful federal new markets tax credit,

by establishing a state credit equal to the federal new market tax credit for investments in Hawaii made through a qualified community development entity located in Hawaii.

The Chamber of Commerce of Hawaii and The Hawaii Science and Technology Council supported this bill. The Department of Taxation, Department of Business, Economic Development and Tourism, KUD International, and Phase 3 Properties supported the intent of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Reducing the credit allowed under this bill, to a third of the federal credit, or 13 percent of an investment made through a qualified community development entity;

- (2) Providing that the credit will sunset when funds available for the federal new markets tax credit are depleted; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee also respectfully requests the Committee on Finance to examine an appropriate number for the cap on the credit available under this measure, and whether it should apply to all taxpayers or on a per taxpayer basis.

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. 707, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 707, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Ching and Marumoto.

**SCRep. 1504 Economic Development & Business Concerns on S.B. No. 898**

The purpose of this bill is to allow better evaluation of the effectiveness of high-technology tax incentives by requiring the Department of Taxation (DoTAX) to report summary descriptive statistics on qualified high technology businesses (QHTBs) based on information collected as of July 1, 2004, and annually thereafter.

DoTAX, Hawaii Science & Technology Council, and many concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism, PacifiCap Group, High Technology Development Corporation, and many concerned individuals supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Expanding DoTAX's initial report on high technology businesses to include all available information collected from high technology businesses, and not just information from July 1, 2004;
- (2) Requiring DoTAX to make its initial report by October 1, 2007, and thereafter make annual reports by September 1;
- (3) Adding provisions from a similar measure, H.B. No. 1631, H.D. 2, that passed out of your Committee earlier this session:
  - (A) Expanding DoTAX's reporting to include the identification of each QHTB benefiting from the investment or research tax credits and an evaluation of the effectiveness of the credits;
  - (B) Providing that QHTBs, by claiming the investment or research tax credits, agree to public disclosure of the name of their company; and
  - (C) Requiring QHTBs to report annually to DoTax about their employment positions in the state.

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. 898, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 898, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Ching and Marumoto.

**SCRep. 1505 Economic Development & Business Concerns on S.B. No. 1688**

The purpose of this bill is to fuel Hawaii's dual-use industry by appropriating funds to establish a research and development follow-on funding program for Hawaii-based small businesses that received federal funding through the Hawaii Technology Development Venture (HTDV) or the National Defense Center of Excellence for Research in Ocean Sciences (NDCEROS).

The High Technology Development Corporation, Hawaii Strategic Development Corporation, Pipeline Communications and Technology, Inc., Hawaii Science and Technology Council, and many concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill.

Your Committee finds that HTDV and NDCEROS help Hawaii-based small businesses to obtain federal grants for high technology research and development related to federal Navy and Defense programs. The "follow-on" funding that this bill appropriates will assist these businesses to refine their product or service and advance their research toward commercialization.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1688, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1688, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Ching and Marumoto.

**SCRep. 1506 Economic Development & Business Concerns/Tourism & Culture on S.B. No. 1249**

The purpose of this bill is to accommodate condominium hotels in the liquor laws by establishing a separate class of liquor license for condominium hotels.

The Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui, City and County of Honolulu Liquor Commission, Hawaii Hotel & Lodging Association, and Outrigger Enterprises, Inc., supported this bill.

Your Committees have amended this bill by, among other things:

- (1) Clarifying the definition of "condominium hotel" and "premises" and adding a definition for "condominium hotel operator";
- (2) Making further amendments to the liquor law to allow condominium hotels to obtain liquor licenses and operate under these licenses in much the same way as a traditional hotel;



- (3) Authorizing holders of a hotel liquor license to convert their license to a condominium hotel license subject to a public hearing; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Tourism & Culture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1249, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1249, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Herkes and Tsuji.

**SCRep. 1507 Economic Development & Business Concerns/Tourism & Culture on S.B. No. 1922**

The purpose of this bill is to support the growth of the creative media industry in Hawaii by appropriating general funds to:

- (1) The University of Hawaii (UH) to plan, design and construct a permanent facility for the UH Academy for Creative Media's (Academy) film production, animation, critical studies, and video game design programs, and authorizing the Academy to use Act 221 tax credits in this endeavor;
- (2) The Department of Business, Economic Development, and Tourism (DBEDT) and UH-Honolulu Community College (HCC) to lease, operate, and maintain a state-of-the-art digital media incubator facility for film and television production and interactive game development to be used by industry, government, and academic entities; and
- (3) HCC to lease, operate, and maintain a music and entertainment business training center at HCC that will house the Music and Enterprise Learning Experience Program established to develop the technical and business skills required by Hawaii's music artists and music industry.

HCC, High Technology Development Corporation, COJODA Productions LLC, Aloha Agency, JUNIROA PRODUCTIONS INC., Global Brain, Inc., Hawaii Academy of Recording Arts, and numerous concerned individuals supported this bill. Governor Linda Lingle supported this bill in part. DBEDT, Department of Taxation, UH at Manoa, and a concerned individual supported the intent of the measure.

Your Committees find that the funds provided by this bill will directly support the creative media sector of Hawaii's economy, as well as Hawaii's educational institutions and people.

Your Committees have amended this bill by:

- (1) Removing all references to tax credits;
- (2) Changing its effective date to July 1, 2034, to encourage further discussion of the measure; 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 Economic Development & Business Concerns and Tourism & Culture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1922, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1922, S.D. 2, H.D. 1.

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

**SCRep. 1508 Education on S.B. No. 1176**

The purpose of this bill is to amend Hawaii's early intervention services law to be consistent with the Individuals with Disabilities Education Improvement Act of 2004, to provide early intervention services for certain children who are three to five years of age.

The Department of Education, Hawaii Down Syndrome Congress, and a concerned individual testified in support of this bill. The State Council on Developmental Disabilities and Good Beginnings Alliance supported the intent of this measure. The Department of Health (DOH), Center on Disability Studies, Hawaii Early Intervention Coordinating Council, and a concerned individual opposed this bill.

Your Committee understands the importance of meeting the diverse needs of children with disabilities and their families. However, it also recognizes the need to provide the state agencies responsible for implementation of services, and the appropriate stakeholders, with sufficient time and resources to determine the impact of proposed changes and develop evidence-based models for implementation. Accordingly, your Committee has amended this bill by replacing its entire contents with the following provisions:

- (1) Clarifying purpose language;
- (2) A feasibility study to research the appropriateness of expanding Hawaii's early intervention section to continue services for children three to five years of age, and if deemed appropriate, to design and develop an implementation plan to provide a continuum of services for children three to five years of age who may require services; and
- (3) An appropriation for DOH to achieve the outcomes of the feasibility study.

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. 1176, 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. 1176, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine, Wakai and Ching.

**SCRep. 1509 Education on S.B. No. 603**

The purpose of this bill is to improve public education as delivered through the charter school system by clarifying the functions, duties, and roles of the Board of Education (BOE) and Charter School Review Panel (Panel) in the administration and operations of Hawaii's charter schools.

The Hawaii State Teachers Association, Hawaii Charter Schools Network, and numerous concerned citizens testified in support of this bill. The University of Hawaii, Kamehameha Schools, and Hookakoo Corporation supported the intent of this measure. The Department of the Attorney General, BOE, Charter School Administrative Office (CSAO), West Hawaii Explorations Academy, and Hawaii Government Employees Association offered comments.

Your Committee has amended this bill by:

- (1) Authorizing the Panel to serve as charter authorizer for charter schools, including making it responsible for the issuance and revocation of charters, approval or denial of detailed implementation plans, charter school evaluations, and determining the charter school application process;
- (2) Stipulating that local school boards may enter into long-term lease agreements provided that the long-term lease agreements include a term allowing the State to terminate the lease in the event adequate appropriations have not been made;
- (3) Removing the requirement that the Panel be accountable to the general public, as the requirement seems too far-reaching and its implementation is unclear;
- (4) Adding a parent of a charter school student to the membership of the Panel, and accordingly, allowing this member to serve a two-year term;
- (5) Extending the terms of the current Panel members, whose terms are set to expire on or before June 30, 2007, by one year, to June 30, 2008;
- (6) Designating BOE as an appeals board for charter school applicants or charter schools that do not agree with the decisions of the Panel;
- (7) Changing the term of the executive director of CSAO from not fewer than two years to not fewer than four years;
- (8) Continuing to require the executive director to consult with the charter schools in carrying out the executive director's responsibilities for the internal organization, operation, and management of the charter school system;
- (9) Requiring that the executive director be evaluated only by the Panel;
- (10) Requiring CSAO to include in its annual budget request a specific per-pupil amount to start-up charter schools for facilities-related costs, rather than an allocation based on a certain percentage of DOE's debt service costs, averaged over a three-year period;
- (11) Clarifying that DOE must provide CSAO with all state-level federal grant proposals submitted by DOE and timely reports on state-level federal grants received that charter schools may receive or apply for; and
- (12) 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. 603, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Takai and Takamine.

**SCRep. 1510 Education on S.B. No. 613**

The purpose of this bill is to promote quality early childhood education opportunities for Hawaii's children from birth to age five by:

- (1) Requiring the Department of Education (DOE) to prepare unused public school facilities for use by early childhood education programs, if the classrooms have been identified as being suitable for this purpose;
- (2) Appropriating funds for junior kindergarten teachers to achieve a student-to-teacher ratio of not higher than fifteen-to-one at underachieving schools with a high percentage of students who qualify for free and reduced lunches.

A concerned individual testified in support of this bill. DOE, Early Learning Educational Task Force, Good Beginnings Alliance, Maui Good Beginnings Community Council, and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation for junior kindergarten teachers by:
  - (A) Removing the stipulation that the appropriation assist underachieving schools with a high percentage of students who qualify for free and reduced lunches; and
  - (B) Changing the target ratio to a ten student to one teacher ratio;
- (2) Removing the requirement that priority for unused public school facilities for use by early childhood education programs be given to land or facilities on sites with sufficient space for three or more classrooms to be renovated or constructed; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee has further amended this bill by adding the following provisions:

- (1) Relating to junior kindergarten:
  - (A) Prohibiting schools from moving students between junior kindergarten and kindergarten with certain exceptions;
  - (B) Requiring separate curricula for junior kindergarten and kindergarten students;
  - (C) Removing the option of blending junior kindergarten and kindergarten students in a single classroom;
  - (D) Requiring DOE to give preference to qualified teachers with early childhood education credentials and experience to be placed in junior kindergarten and kindergarten programs; and
  - (E) Requiring DOE to, no later than twenty days prior to the convening of the regular session of 2008:
    - (i) Complete the planning and development of the appropriate curriculum for the junior kindergarten program; and

- (ii) Submit its findings and recommendations to the legislature on the planned junior kindergarten curricula, successful models, and assessments to be used in the placement and movement of students between junior kindergarten, kindergarten, and first grade, as well as facilities to be used for junior kindergarten;
- (2) Relating to the training and professional development of early childhood educators:
  - (A) Requiring that 10 percent of the funds appropriated into the Hawaii Educator Loan Program Special Fund be used to assist educators who are seeking Associate's or Bachelor's degrees in early childhood education and appropriating funds for this purpose; and
  - (B) Appropriating funds for developmental courses for public school junior kindergarten and kindergarten teachers that will result in a 12-credit certificate in early childhood education;
- (3) Requiring DOE, the Department of Human Services, and Department of Accounting and General Services to work collaboratively to develop suitable pre-plus classrooms for early childhood education programs that serve preschool-aged children who are between three to five years of age at DOE and conversion charter school campuses statewide, and authorizing the issuance of general obligation bonds for this purpose;
- (4) Appropriating funds for an early childhood educational specialist to focus on early childhood education, kindergarten programs, and pre-plus administration; and
- (5) Inserting clarifying purpose language.

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. 613, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 613, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine, Wakai and Ching.

**SCRep. 1511 Education/Energy & Environmental Protection on S.B. No. 871**

The purpose of this bill is to protect Hawaii's environment and promote recycling by establishing a three-year food waste recycling pilot project in one or more school districts, to be developed and implemented by the Department of Education (DOE) in partnership with the Department of Health (DOH), as part of the State's integrated solid waste management plan.

DOE and Eco Feed, Inc., testified in support of this bill. DOH and the Senior Policy Advisor to the Governor testified in opposition to this measure.

Your Committees have amended this bill by:

- (1) Changing the method of financing of this pilot project from an appropriation from the Environmental Management Special Fund to a general fund appropriation; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 871, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 871, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Morita, Saiki, Shimabukuro, Takai, Wakai and Thielen.

**SCRep. 1512 Judiciary on S.B. No. 1804**

The purpose of this bill is to establish additional funding resources for the Trauma System Special Fund to ensure the continued viability of trauma centers in the state. This bill:

- (1) Establishes surcharges for traffic violations and various criminal convictions related to violence;
- (2) Establishes surcharges for violations that result in accidents involving death or bodily injury;
- (3) Requires the Department of Health (DOH) to establish a methodology to calculate costs incurred by hospitals providing care to trauma patients for reimbursement purposes; and
- (4) Makes appropriations into and out of the Special Fund.

Hawaii Pacific Health, The Queen's Medical Center, and Healthcare Association of Hawaii testified in support of this bill. DOH, the Department of the Attorney General, and the Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Clarified that the surcharges apply to crimes of violence found in Chapters 707 and 708, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for consistency and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1804, 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. 1804, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki, Pine and Thielen.

**SCRep. 1513 Education on H.R. No. 134**

The purpose of this resolution is to request that the Department of Education (DOE) conduct a feasibility study to establish a one-to-one computer access program within the state public school system.

The DOE, Honolulu Community Action Program, and the Hawai'i Alliance for Community-Based Economic Development 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. 134 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine and Wakai.

**SCRep. 1514 Education on H.C.R. No. 171**

The purpose of this concurrent resolution is to request that the Department of Education (DOE) conduct a feasibility study to establish a one-to-one computer access program within the state public school system.

The DOE, Honolulu Community Action Program, and the Hawai'i Alliance for Community-Based Economic Development 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. 171 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine and Wakai.

**SCRep. 1515 Education on H.R. No. 194**

The purpose of this resolution is to request a study be conducted by the Department of Education (DOE), in consultation with the Board of Education and the University of Hawaii at Manoa College of Education, to determine the feasibility of implementing a multimedia accelerated learning technology pilot program in public schools.

The DOE testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 194 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine and Wakai.

**SCRep. 1516 Education on H.C.R. No. 243**

The purpose of this concurrent resolution is to request a study be conducted by the Department of Education (DOE), in consultation with the Board of Education and the University of Hawaii at Manoa College of Education, to determine the feasibility of implementing a multimedia accelerated learning technology pilot program in public schools.

The DOE testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine and Wakai.

**SCRep. 1517 Human Services & Housing on H.R. No. 125**

The purpose of this resolution is to express the sense of the Legislature that the State should immediately commence eminent domain proceedings for Kukui Gardens.

A member of the Honolulu City Council and the Faith in Action for Community Equity provided testimony in support of this resolution. The Hawaii Housing Finance and Development Corporation (HHFDC) provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 125 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

**SCRep. 1518 Human Services & Housing on H.C.R. No. 158**

The purpose of this resolution is to express the sense of the Legislature that the State should immediately commence eminent domain proceedings for Kukui Gardens.

A member of the Honolulu City Council and the Faith in Action for Community Equity provided testimony in support of this resolution. The Hawaii Housing Finance and Development Corporation (HHFDC) provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

**SCRep. 1519 Human Services & Housing on H.R. No. 162**

The purpose of this resolution is to request the Department of Human Services (DHS) to:

- (1) Identify obstacles that limit or deny benefits to victims of human trafficking; and
- (2) Conduct a needs assessment to identify appropriate social and financial services for victims of human trafficking.

Na Loio – Immigrant Rights and Public Interest Legal Center testified in support of this resolution. DHS did not support this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 162 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1520 Human Services & Housing on H.C.R. No. 204**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to:

- (1) Identify obstacles that limit or deny benefits to victims of human trafficking; and

- (2) Conduct a needs assessment to identify appropriate social and financial services for victims of human trafficking.

Na Loio – Immigrant Rights and Public Interest Legal Center testified in support of this concurrent resolution. DHS did not support this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 204 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1521 Education on H.R. No. 59**

The purpose of this resolution is to request that the Board of Education assess the extent to which supplemental academic activities are included in the A Plus after-school program.

The Department of Education testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59 and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine, Wakai and Ching.

**SCRep. 1522 Education on H.C.R. No. 83**

The purpose of this concurrent resolution is to request that the Board of Education assess the extent to which supplemental academic activities are included in the A Plus after-school program.

The Department of Education testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 83 and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine, Wakai and Ching.

**SCRep. 1523 Consumer Protection & Commerce on S.B. No. 1006**

The purpose of this bill is to eliminate duplicate regulation of mortgage brokers and solicitors by exempting savings associations and the operating subsidiaries of banks from mortgage broker and solicitor licensing requirements under Chapter 454, Hawaii Revised Statutes (HRS).

The Department of Commerce and Consumer Affairs (DCCA), Central Pacific Bank, and Central Pacific HomeLoans testified in support of this bill. Primerica Financial Services Home Mortgages, Inc., submitted comments.

Your Committee finds that mortgage brokers and solicitors working in banks are regulated by DCCA's Division of Financial Institutions (DFI) under Chapter 412, HRS. Mortgage brokers and solicitors who work in a bank's operating subsidiary, however, are regulated by both DFI and DCCA's Professional and Vocational Licensing Division (PVLVD) under Chapter 454, HRS. While there is currently an exemption from PVLVD regulation for banks that have mortgage operations, there is no specific exemption for the operating subsidiaries of a bank. This bill seeks to eliminate this duplicate regulation by exempting mortgage brokers and solicitors of a bank's operating subsidiaries from PVLVD regulation.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

**SCRep. 1524 Labor & Public Employment on H.R. No. 55**

The purpose of this measure is to request that the Auditor conduct a study on various aspects of the workers' compensation system in Hawaii, including: whether any problems exist in the current workers' compensation system, an evaluation of the claims process of the Disability Compensation Division of the Department of Labor & Industrial Relations, the workers' compensation insurance market in Hawaii, the number of cases filed annually with insurers, the costs associated with the provision of workers' compensation insurance, and various other relevant topics.

The Chamber of Commerce of Hawaii, Hawaii Chapter of the American Physical Therapy Association, Hawaii Government Employees Association, ILWU Local 142, National Federation of Independent Businesses, and the Occupational Therapy Association of Hawaii testified in support of this measure. The Department of Labor and Industrial Relations supported the intent of the measure.

Workers' compensation is an essential program that provides stability to the economy and benefits the general welfare by ensuring that injured workers are provided treatment for work-related injuries and by expediting their return to work. However, concerns have been raised from various parties including employees, employers, insurers, and healthcare providers, regarding the efficiency, effectiveness, and fairness of the current workers' compensation system in Hawaii. In light of these concerns, your committee finds that a study of the workers' compensation system is prudent and necessary, in order to ascertain problems within the system and to help identify possible solutions.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 55 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 1525 Labor & Public Employment on H.C.R. No. 79**

The purpose of this measure is to request that the Auditor conduct a study on various aspects of the workers' compensation system in Hawaii, including: whether any problems exist in the current workers' compensation system, an evaluation of the claims process of the Disability Compensation Division of the Department of Labor & Industrial Relations, the workers' compensation insurance market in Hawaii, the number of cases filed annually with insurers, the costs associated with the provision of workers' compensation insurance, and various other relevant topics.

The Chamber of Commerce of Hawaii, Hawaii Chapter of the American Physical Therapy Association, Hawaii Government Employees Association, ILWU Local 142, National Federation of Independent Businesses, and the Occupational Therapy Association of Hawaii testified in support of this measure. The Department of Labor and Industrial Relations supported the intent of the measure.

Workers' compensation is an essential program that provides stability to the economy and benefits the general welfare by ensuring that injured workers are provided treatment for work-related injuries and by expediting their return to work. However, concerns have been raised from various parties including employees, employers, insurers, and healthcare providers, regarding the efficiency, effectiveness, and fairness of the current workers' compensation system in Hawaii. In light of these concerns, your committee finds that a study of the workers' compensation system is prudent and necessary, in order to ascertain problems within the system and to help identify possible solutions.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 79 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

**SCRep. 1526 Labor & Public Employment on H.R. No. 56**

The purpose of this measure is to request the Auditor to conduct a study on Voluntary Employees' Beneficiary Associations (VEBA) in order to determine whether they are feasible, cost-effective health insurance plans for public employees, retirees, and their dependents. Specifically, this resolution requests that the study examine the VEBA currently operated by the Hawaii State Teachers Association (HSTA), and whether the establishment of VEBAs by the State for its other bargaining units would be beneficial.

The Department of Budget and Finance and the Hawaii State Teachers Association testified in support of this measure. The Hawaii Employer-Union Health Benefits Trust Fund supported the intent of this measure.

Your committee finds that rising health care costs, inflation, and an aging population are impacting the State's fiscal ability to provide health benefits to its active and retired public employees, and their dependents. The Hawaii Employer-Union Health Benefits Trust Fund was established with the goal of obtaining insurance coverage at lower rates, while ensuring benefits equal to or better than the community standard. VEBAs are an alternative means of providing medical and other benefits to its members, and HSTA currently holds a VEBA trust for some of its members and their dependents. Your committee finds it prudent to compare the two systems in order to ascertain the costs and benefits of each system, and whether or not the State would benefit from VEBAs as an alternative to the Employer-Union Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 1527 Labor & Public Employment on H.C.R. No. 80**

The purpose of this measure is to request the Auditor to conduct a study on Voluntary Employees' Beneficiary Associations (VEBA) in order to determine whether they are feasible, cost-effective health insurance plans for public employees, retirees, and their dependents. Specifically, this resolution requests that the study examine the VEBA currently operated by the Hawaii State Teachers Association (HSTA), and whether the establishment of VEBAs by the State for its other bargaining units would be beneficial.

The Department of Budget and Finance and Hawaii State Teachers Association testified in support of this measure. The Hawaii Employer-Union Health Benefits Trust Fund supported the intent of this measure.

Your committee finds that rising health care costs, inflation, and an aging population are impacting the State's fiscal ability to provide health benefits to its active and retired public employees, and their dependents. The Hawaii Employer-Union Health Benefits Trust Fund was established with the goal of obtaining insurance coverage at lower rates, while ensuring benefits equal to or better than the community standard. VEBAs are an alternative means of providing medical and other benefits to its members, and HSTA currently holds a VEBA trust for some of its members and their dependents. Your committee finds it prudent to compare the two systems in order to ascertain the costs and benefits of each system, and whether or not the State would benefit from VEBAs as an alternative to the Employer-Union Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 80 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee.

**SCRep. 1528 International Affairs on H.R. No. 48**

The purpose of this resolution is to urge the adoption of the United Nations' Convention on the Rights of the Child.

The Representative of the 44<sup>th</sup> District, Senator of the 13<sup>th</sup> District, Hawaii Human Rights Center, and a concerned individual testified in support of this resolution. The International Christian Church and Bible School supported the intent of this measure. The Representative of the 18<sup>th</sup> District provided comments.

Your Committee has amended this resolution by:

- (1) Changing the title to read: "URGING THE ADOPTION OF THE UNITED NATIONS' CONVENTION ON THE RIGHTS OF THE CHILD AS A GUIDELINE FOR ADDRESSING CONCERNS RELATED TO HAWAII'S KEIKI";
- (2) Adding background information on Hawaiian culture and child welfare; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 48, as amended herein, and recommends that it be referred to the Committee on Human Services & Housing in the form attached hereto as H.R. No. 48, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1529 International Affairs on H.C.R. No. 69**

The purpose of this concurrent resolution is to urge the adoption of the United Nations' Convention on the Rights of the Child.

The Representative of the 44<sup>th</sup> District, Senator of the 13<sup>th</sup> District, Hawaii Human Rights Center, and a concerned individual testified in support of this concurrent resolution. The International Christian Church and Bible School supported the intent of this measure. The Representative of the 18<sup>th</sup> District provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: "URGING THE ADOPTION OF THE UNITED NATIONS' CONVENTION ON THE RIGHTS OF THE CHILD AS A GUIDELINE FOR ADDRESSING CONCERNS RELATED TO HAWAII'S KEIKI";

- (2) Adding background information on Hawaiian culture and child welfare; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 69, as amended herein, and recommends that it be referred to the Committee on Human Services & Housing in the form attached hereto as H.C.R. No. 69, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1530 Education/Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 107**

The purpose of this concurrent resolution is to address concerns regarding the Department of Education's (DOE) Hawaiian studies program by requesting that the Auditor conduct a financial and program audit of the DOE's Hawaiian studies program.

The DOE, Hawaii State Teachers Association, and several concerned individuals testified in favor of this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Amending its title to read: "REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL, PROGRAM, AND MANAGEMENT AUDIT OF THE DEPARTMENT OF EDUCATION'S HAWAIIAN STUDIES PROGRAM."; and
- (2) Adding a management audit of the Department of Education's Hawaiian studies program to the request.

As affirmed by the records of votes of the members of your Committees on Education and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 107, as amended hereto, and recommend that it be referred to the Committee on Legislative Management attached hereto as H.C.R. No. 107, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1531 Human Services & Housing on H.R. No. 214**

The purpose of this resolution is to urge the City and County of Honolulu to include in all land use approvals for residential developments, conditions requiring the concurrent provision of all infrastructure required by the development.

The City and County of Honolulu, Department of Planning and Permitting and the Land Use Research Foundation of Hawaii opposed this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 214 and recommends that it be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Bertram and Cabanilla.

**SCRep. 1532 Human Services & Housing on H.C.R. No. 272**

The purpose of this resolution is to urge the City and County of Honolulu to include in all land use approvals for residential developments, conditions requiring the concurrent provision of all infrastructure required by the development.

The City and County of Honolulu, Department of Planning and Permitting and the Land Use Research Foundation of Hawaii opposed this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 272 and recommends that it be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Bertram and Cabanilla.

**SCRep. 1533 Human Services & Housing on H.R. No. 177**

The purpose of this resolution is to urge the United States Department of Housing and Urban Development to remove designated units at Kalihi Valley Homes from the list of structures scheduled for demolition and to work with the Hawaii Public Housing Authority to renovate the buildings instead.

The Hawaii Public Housing Authority (HPHA) and the Office of Hawaiian Affairs (OHA) provided testimony in support of the intent of this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 177 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

**SCRep. 1534 Human Services & Housing on H.C.R. No. 219**

The purpose of this resolution is to urge the United States Department of Housing and Urban Development to remove designated units at Kalihi Valley Homes from the list of structures scheduled for demolition and to work with the Hawaii Public Housing Authority to renovate the buildings instead.

The Hawaii Public Housing Authority (HPHA) and the Office of Hawaiian Affairs (OHA) provided testimony in support of the intent of this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

**SCRep. 1535 Human Services & Housing/Health on H.R. No. 45**

The purpose of this resolution is to request the Department of Health (DOH) and Department of Human Services (DHS) to collaborate and apply for a federal traumatic brain injury waiver no later than December 31, 2008.

DOH, the Brain Injury Association of Hawaii, Hawaii Disability Rights Center, and several concerned individuals testified in support of this resolution. DHS provided comments.

Your Committees have amended this resolution by:

- (1) Changing its title to read, "REQUESTING THE DEPARTMENT OF HEALTH AND DEPARTMENT OF HUMAN SERVICES TO COLLABORATE AND APPLY FOR A FEDERAL TRAUMATIC BRAIN INJURY AND NEUROTRAUMA WAIVER";
- (2) Including neurotrauma within the scope of this measure; 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 & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 45, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 45, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1536 Human Services & Housing/Health on H.C.R. No. 65**

The purpose of this concurrent resolution is to request the Department of Health (DOH) and Department of Human Services (DHS) to collaborate and apply for a federal traumatic brain injury waiver no later than December 31, 2008.

DOH, the Brain Injury Association of Hawaii, Hawaii Disability Rights Center, and several concerned individuals testified in support of this concurrent resolution. DHS provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read, "REQUESTING THE DEPARTMENT OF HEALTH AND DEPARTMENT OF HUMAN SERVICES TO COLLABORATE AND APPLY FOR A FEDERAL TRAUMATIC BRAIN INJURY AND NEUROTRAUMA WAIVER";
- (2) Including neurotrauma within the scope of this measure; 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 & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 65, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 65, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Takai and Tokioka.

**SCRep. 1537 Human Services & Housing on H.R. No. 151**

The purpose of this resolution is to request the Governor to establish the Office of Language Access (Office) to provide accessible language services to limited English proficient persons. The Office was created and funded by the Legislature in Act 290 during the Regular Session of 2006, but the funds have not yet been released nor the Office established.

Na Loio – Immigrant Rights and Public Interest Legal Center testified in support of this resolution. The Department of Labor and Industrial Relations provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 151, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1538 Human Services & Housing on H.C.R. No. 193**

The purpose of this concurrent resolution is to request the Governor to establish the Office of Language Access (Office) to provide accessible language services to limited English proficient persons. The Office was created and funded by the Legislature in Act 290 during the Regular Session of 2006, but the funds have not yet been released nor the Office established.

Na Loio – Immigrant Rights and Public Interest Legal Center testified in support of this concurrent resolution. The Department of Labor and Industrial Relations provided comments.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 193 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1539 Health/Human Services & Housing on H.R. No. 136**

The purpose of this resolution is to improve health care in Hawaii by urging Congress to enact the United States National Health Insurance Act.

The League of Women Voters of Hawaii and Hawaii Government Employees Association, supported this resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 136 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1540 Health/Human Services & Housing on H.C.R. No. 173**

The purpose of this concurrent resolution is to improve health care in Hawaii by urging Congress to enact the United States National Health Insurance Act.

The League of Women Voters of Hawaii and Hawaii Government Employees Association supported this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 173 and recommend that it be referred to the Committee on Finance.



Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1541 Health/Human Services & Housing on H.R. No. 160**

The purpose of this resolution is to request the Governor to fund breast cancer and cervical cancer screening to make it available and more accessible for low-income women in Hawaii.

The University of Hawaii strongly supports this resolution. The Department of Health supports the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 160 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1542 Health/Human Services & Housing on H.C.R. No. 202**

The purpose of this concurrent resolution is to request the Governor to fund breast cancer and cervical cancer screening to make it available and more accessible for low-income women in Hawaii.

The University of Hawaii strongly supports this concurrent resolution. The Department of Health supports the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 202 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1543 Human Services & Housing/Health on H.R. No. 257**

The purpose of this resolution is to request the Department of Health (DOH) to conduct a study of residential care home facilities.

Numerous concerned individuals testified in support of this resolution. DOH opposed this measure. Numerous individuals provided comments.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 257 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Green, Takai and Awana.

**SCRep. 1544 Human Services & Housing/Health on H.C.R. No. 322**

The purpose of this concurrent resolution is to request the Department of Health (DOH) to conduct a study of residential care home facilities.

Numerous concerned individuals testified in support of this concurrent resolution. DOH opposed this measure. Numerous individuals provided comments.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 322 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Green, Takai and Awana.

**SCRep. 1545 Human Services & Housing/Health on H.C.R. No. 185**

The purpose of this resolution is to request the University of Hawaii at Manoa College of Social Sciences Public Policy Center to conduct a cost-benefit analysis for a family caregiver tax credit.

The University of Hawaii at Manoa College of Social Sciences Public Policy Center, AARP Hawaii, the National Multiple Sclerosis Society Hawaii Division and Assisted Living Options Hawaii provided testimony in support of this resolution.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 185 and recommend that it be referred to the Committee on Finance.

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

**SCRep. 1546 Human Services & Housing on H.R. No. 104**

The purpose of this resolution is to request the Hawaii State Commission on the Status of Women (Commission) to convene a network of organizations for the support and development of local and international organizations addressing domestic violence and sex assault issues.

The Commission, Oahu VOICES, and Domestic Violence Clearinghouse and Legal Hotline testified in support of this resolution.

Your Committee has amended this resolution by:

- (1) Clarifying the Child and Family Service's program names; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 104, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Cabanilla.

**SCRep. 1547 Human Services & Housing on H.C.R. No. 130**

The purpose of this concurrent resolution is to request the Hawaii State Commission on the Status of Women (Commission) to convene a network of organizations for the support and development of local and international organizations addressing domestic violence and sex assault issues.

The Commission, Oahu VOICES, and Domestic Violence Clearinghouse and Legal Hotline testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying the Child and Family Service's program names; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 130, H.D. 1.

Signed by all members of the Committee except Representatives Bertram and Cabanilla.

**SCRep. 1548 Human Services & Housing on H.R. No. 268**

The purpose of this resolution is to request the Hawaii Housing Finance and Development Corporation (HHFDC), in collaboration with the Department of Business, Economic Development, and Tourism (DBEDT), to conduct a study on housing for essential workers such as teachers, police officers, and other emergency responders.

HHFDC testified in support of this resolution. DBEDT supported the intent of this measure.

Your Committee has amended this resolution by 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 268, as amended herein, and recommends that it be referred to the Committee on Labor & Public Employment in the form attached hereto as H.R. No. 268, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1549 Human Services & Housing on H.C.R. No. 333**

The purpose of this concurrent resolution is to request the Hawaii Housing Finance and Development Corporation (HHFDC), in collaboration with the Department of Business, Economic Development, and Tourism (DBEDT), to conduct a study on housing for essential workers such as teachers, police officers, and other emergency responders.

HHFDC testified in support of this concurrent resolution. DBEDT supported the intent of this measure.

Your Committee has amended this concurrent resolution by 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 333, as amended herein, and recommends that it be referred to the Committee on Labor & Public Employment in the form attached hereto as H.C.R. No. 333, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1550 Human Services & Housing on H.R. No. 81**

The purpose of this resolution is to request the Auditor to conduct a financial and management audit of the Mayor Wright Homes Tenants' Association.

Many concerned individuals testified in support of this resolution. The Mayor Wright Tenant Association Executive Board opposed this measure.

Your Committee has amended this resolution by:

- (1) Renaming the title to reflect the correct name of the Mayor Wright Homes Tenant Association;
- (2) Including information on allegations of leniency toward relatives of the Mayor Wright Homes Tenant Association members who violate rules or otherwise disrupt the peace;
- (3) Including information on allegations of discrimination against Micronesians; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 81, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 81, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 1551 Human Services & Housing on H.C.R. No. 103**

The purpose of this concurrent resolution is to request the Auditor to conduct a financial and management audit of the Mayor Wright Homes Tenants' Association.

Many concerned individuals testified in support of this concurrent resolution. The Mayor Wright Tenant Association Executive Board opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Renaming the title to reflect the correct name of the Mayor Wright Homes Tenant Association;
- (2) Including information on allegations of leniency toward relatives of the Mayor Wright Homes Tenant Association members who violate rules or otherwise disrupt the peace;
- (3) Including information on allegations of discrimination against Micronesians; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 103, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 1552 Human Services & Housing on H.C.R. No. 51**

The purpose of this concurrent resolution is to request that the Auditor conduct a financial audit of the Hawaii Public Housing Authority (HPHA).

The Office of Hawaiian Affairs supported the intent of this concurrent resolution. HPHA opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read, "REQUESTING A FINANCIAL AUDIT OF THE HAWAII PUBLIC HOUSING AUTHORITY AND ITS TENANTS' ASSOCIATIONS";
- (2) Including an audit of funds distributed to tenants' associations; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 51, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

**SCRep. 1553 Labor & Public Employment on H.R. No. 152**

The purpose of this resolution is to request that the Senate Committee on Judiciary and Labor and the House Committee on Labor and Public Employment convene a joint hearing to gather and review information on the labor force requirements and the impact on the surrounding community of the proposed expansion of the Turtle Bay Resort.

Keep the North Shore Country testified in support of this measure. An individual offered testimony in opposition. The Pacific Resource Partnership and several concerned individuals offered comments on the measure.

The convening of a joint Senate and House committee hearing would enable the legislature to better understand any potential positive and negative effects that the Turtle Bay Resort expansion may have on the North Shore area of Hawaii. Your committee finds that the language of the measure should more accurately reflect the need to first gather further information and then to make an assessment of the impact of the expansion. Accordingly, your committee has amended this measure by deleting the reference in the title to the "Sparsely Populated North Shore of Oahu" and inserting language that better describes the area, adding a paragraph that reflects the specific unemployment rate of the Hauula/Kaaawa region, and making other changes for consistency and style to reflect the intent of the committee to explore the subject matter in further detail.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 152, as amended herein, and recommends that it be referred to the Committees on Tourism & Culture and Economic Development & Business Concerns in the form attached hereto as H.R. No. 152, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Meyer.

**SCRep. 1554 Labor & Public Employment on H.C.R. No. 194**

The purpose of this concurrent resolution is to request that the Senate Committee on Judiciary and Labor and the House Committee on Labor and Public Employment convene a joint hearing to gather and review information on the labor force requirements and the impact on the surrounding community of the proposed expansion of the Turtle Bay Resort.

Keep the North Shore Country testified in support of this measure. An individual offered testimony in opposition. The Pacific Resource Partnership and several concerned individuals offered comments on the measure.

The convening of a joint Senate and House committee hearing would enable the legislature to better understand any potential positive and negative effects that the Turtle Bay Resort expansion may have on the North Shore area of Hawaii. Your committee finds that the language of the measure should more accurately reflect the need to first gather further information and then to make an assessment of the impact of the expansion. Accordingly, your committee has amended this measure by deleting the reference in the title to the "Sparsely Populated North Shore of Oahu" and inserting language that better describes the area, adding a paragraph that reflects the specific unemployment rate of the Hauula/Kaaawa region, and making other changes for consistency and style to reflect the intent of the committee to explore the subject matter in further detail.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194, as amended herein, and recommends that it be referred to the Committees on Tourism & Culture and Economic Development & Business Concerns in the form attached hereto as H.C.R. No. 194, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Meyer.

**SCRep. 1555 Labor & Public Employment on H.C.R. No. 222**

The purpose of this concurrent resolution is to request the Auditor to assess the effectiveness of the State's workforce development programs and to recommend the optimal realignment of workforce administration in order to best address Hawaii's labor and skill shortages.

The Department of Business, Economic Development, and Tourism and the Workforce Development Council testified in support of this measure. The Department of Labor and Industrial Relations offered comments.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 222 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Meyer.

**SCRep. 1556 Labor & Public Employment on H.C.R. No. 252**

The purpose of this measure is to request that the Department of Accounting and General Services conduct a study and determine the feasibility of upgrading the State's payroll and personnel systems, in order to ensure that the government's needs are being met and that employees are provided with efficient payroll services.

The Hawaii Government Employees Association testified in support of this measure. The Department of Accounting and General Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 252 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Meyer.

**SCRep. 1557 Health on H.R. No. 222**

The purpose of this resolution is to improve essential health services and the ailing health care system in Hawaii by urging Hawaii's Congressional delegation to seek amendments to the Medicare payment system to increase reimbursements to Hawaii's hospitals.

The Department of Human Services and the Hawaii government Employees Association supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 222 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1558 Health on H.C.R. No. 282**

The purpose of this concurrent resolution is to improve essential health services and the ailing health care system in Hawaii by urging Hawaii's Congressional delegation to seek amendments to the Medicare payment system to increase reimbursements to Hawaii's hospitals.

The Department of Human Services and the Hawaii government Employees Association supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1559 Health/Human Services & Housing on H.C.R. No. 119**

The purpose of this concurrent resolution is to request that the Department of Health (DOH) convene a task force to investigate methods of creating a centralized plan for the provision of medical and social services to people who have migrated to Hawaii from the Freely Associated States of Micronesia, the Marshall Islands, and the Republic of Palau.

The Micronesian Community Network, Nations of Micronesia Committee, Institute for Human Services Emergency Homeless Shelter, and a concerned individual supported this concurrent resolution. DOH supported this measure with amendments. The Department of Education supported the intent of this concurrent resolution. The Department of Human Services and the President of the East-West Center submitted comments.

Your Committees have amended this concurrent resolution by:

- (1) Adding a member from each of the Micronesian Community Network and Nations of Micronesia Committee to the task force formed by DOH;
- (2) Requesting that the task force research the adequacy of the cost reimbursement formula used by the recently renegotiated Compact of Free Association;
- (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 & Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 119, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 119, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1560 Labor & Public Employment on H.C.R. No. 178**

The purpose of this measure is to request that the Auditor conduct a study of the State's workers' compensation system, specifically as it relates to the Department of Human Resources Development (DHRD) and the Department of Education (DOE).

The American Physical Therapy Association Hawaii Chapter and the Hawaii Government Employees Association testified in support of this measure. The Department of Education and the Department of Human Resources Development supported the intent of this measure. The Department of Labor and Industrial Relations offered comments.

Your committee finds that a number of audits and studies regarding the workers' compensation system have already been undertaken. As such, your committee has amended this concurrent resolution by requesting the Auditor to conduct a financial and management audit of the workers' compensation system as it relates to DHRD and DOE, instead of a general study of the system.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 178, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Meyer.

**SCRep. 1561 International Affairs on H.R. No. 60**

The purpose of this resolution is to:

- (1) Assert the State of Hawaii's endorsement of the Earth Charter as part of a framework for sustainable planning and development; and

- (2) Urge the Governor, mayors, county councils, and the Hawaii 2050 Sustainability Task Force to adopt and utilize the Earth Charter as part of a framework for sustainable planning.

The United Nations Association Hawaii Division, Hawaii's Thousand Friends, League of Women Voters of Hawaii, and a concerned individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 60 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Awana.

**SCRep. 1562 International Affairs on H.C.R. No. 84**

The purpose of this concurrent resolution is to:

- (1) Assert the State of Hawaii's endorsement of the Earth Charter as part of a framework for sustainable planning and development; and
- (2) Urge the Governor, mayors, county councils, and the Hawaii 2050 Sustainability Task Force to adopt and utilize Earth Charter as part of a framework for sustainable planning.

The United Nations Association Hawaii Division, Hawaii's Thousand Friends, League of Women Voters of Hawaii, and a concerned individual testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 84, and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Awana.

**SCRep. 1563 International Affairs on H.R. No. 63**

The purpose of this concurrent resolution is to request the Congress of the United States to create a replacement for the outdated Fast Track Trade Authority System.

The Hawaii State AFL-CIO testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Awana.

**SCRep. 1564 International Affairs on H.C.R. No. 87**

The purpose of this concurrent resolution is to request the Congress of the United States to create a replacement for the outdated Fast Track Trade Authority System.

The Hawaii State AFL-CIO testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Awana.

**SCRep. 1565 International Affairs on H.R. No. 57**

The purpose of this resolution is to request the Governor to take all necessary actions to establish a state-province affiliation with the Province of Cagayan by June 30, 2012.

Several concerned individuals testified in support of this resolution. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee acknowledges the support of two individuals who worked very hard to develop the friendship between Hawaii and the Province of Cagayan, and dedicates this resolution to them: "Nana" Ines Viernes Cayaban, born in Claveria, Cagayan, and "Tata" Jesus Ochoa Cayaban.

Your Committee has amended this resolution by:

- (1) Changing the title to, "REQUESTING THE GOVERNOR TO APPROVE AND AUTHORIZE THE ESTABLISHMENT OF STATE-PROVINCE RELATIONS OF FRIENDSHIP BETWEEN THE STATE OF HAWAII OF THE UNITED STATES OF AMERICA AND THE PROVINCE OF CAGAYAN OF THE REPUBLIC OF THE PHILIPPINES";
- (2) Clarifying that the existing relationship between Hawaii and the Province of Cagayan is a cultural bond, and not an existing governmental relationship; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Economic Development & Business Concerns in the form attached hereto as H.R. No. 57, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Awana.

**SCRep. 1566 International Affairs on H.C.R. No. 81**

The purpose of this concurrent resolution is to request the Governor to take all necessary actions to establish a state-province affiliation with the Province of Cagayan by June 30, 2012.

Several concerned individuals testified in support of this concurrent resolution. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee acknowledges the support of two individuals who worked very hard to develop the friendship between Hawaii and the Province of Cagayan, and dedicates this resolution to them: "Nana" Ines Viernes Cayaban, born in Claveria, Cagayan, and "Tata" Jesus Ochosa Cayaban.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title to, "REQUESTING THE GOVERNOR TO APPROVE AND AUTHORIZE THE ESTABLISHMENT OF STATE-PROVINCE RELATIONS OF FRIENDSHIP BETWEEN THE STATE OF HAWAII OF THE UNITED STATES OF AMERICA AND THE PROVINCE OF CAGAYAN OF THE REPUBLIC OF THE PHILIPPINES";
- (2) Clarifying that the existing relationship between Hawaii and the Province of Cagayan is a cultural bond, and not an existing governmental relationship; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, as amended herein, and recommends that it be referred to the Committee on Economic Development & Business Concerns in the form attached hereto as H.C.R. No. 81, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Awana.

**SCRep. 1567 Transportation on H.R. No. 153**

The purpose of this resolution is to ensure a safe, efficient, and accessible inter-modal transportation system to the North Shore of Oahu by requesting the Senate Committee on Transportation and International Affairs and House Committee on Transportation to convene a joint hearing with the participation of the Department of Transportation (DOT) and the Department of Planning and Permitting of the City and County of Honolulu (DPP) to consider the likely impacts on traffic by the proposed Turtle Bay Resort expansion and measures to mitigate traffic congestion that may be required by this expansion.

Keep the North Shore Country testified in support of this measure. Kulima Resort Company and a concerned individual testified in opposition to this measure.

Planned expansion of the Turtle Bay Resort area in Kahuku have raised concerns by North Shore residents regarding the impacts this expansion would have on their community, particularly with regard to traffic and the environment. Convening a joint hearing on the topic, with the cooperation and consultation of DOT and DPP, will allow the Legislature to better understand the concerns raised by North Shore residents and whether these concerns deserve further consideration.

However, your Committee notes that suggestions made in this measure that the expansion project be halted until the joint hearing is concluded may be premature. Accordingly, your Committee has amended this measure by deleting language requesting DOT to delay issuing a written confirmation that it has no objections to approval of the City and County of Honolulu's final subdivision map of the Turtle Bay bulk lot subdivision until the conclusion of the joint committee hearings;

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 153, as amended herein, and recommends that it be referred to the Committees on Tourism & Culture and Economic Development & Business Concerns in the form attached hereto as H.R. No. 153, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1568 Transportation on H.C.R. No. 195**

The purpose of this concurrent resolution is to ensure a safe, efficient, and accessible inter-modal transportation system to the North Shore of Oahu by requesting the Senate Committee on Transportation and International Affairs and House Committee on Transportation to convene a joint hearing with the participation of the Department of Transportation (DOT) and the Department of Planning and Permitting of the City and County of Honolulu (DPP) to consider the likely impacts on traffic by the proposed Turtle Bay Resort expansion and measures to mitigate traffic congestion that may be required by this expansion.

Keep the North Shore Country testified in support of this measure. Kulima Resort Company and a concerned individual testified in opposition to this measure.

Planned expansion of the Turtle Bay Resort area in Kahuku have raised concerns by North Shore residents regarding the impacts this expansion would have on their community, particularly with regard to traffic and the environment. Convening a joint hearing on the topic, with the cooperation and consultation of DOT and DPP, will allow the Legislature to better understand the concerns raised by North Shore residents and whether these concerns deserve further consideration.

However, your Committee notes that suggestions made in this measure that the expansion project be halted until the joint hearing is concluded may be premature. Accordingly, your Committee has amended this measure by deleting language requesting DOT to delay issuing a written confirmation that it has no objections to approval of the City and County of Honolulu's final subdivision map of the Turtle Bay bulk lot subdivision until the conclusion of the joint committee hearings;

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 195, as amended herein, and recommends that it be referred to the Committees on Tourism & Culture and Economic Development & Business Concerns in the form attached hereto as H.C.R. No. 195, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1569 International Affairs on H.R. No. 249**

The purpose of this resolution is to approve and authorize the establishment of state-provincial relations of friendship between the State of Hawaii and the Province of Thua Thien-Hue of the Socialist Republic of Vietnam.

Pacific Management Resources, Group 70 International, TAF International, Vietnamese American Chamber of Commerce, and numerous individuals submitted testimony in support of this measure. The Department of Business, Economic Development and Tourism supported the intent of this measure. Numerous individuals opposed this measure.

Your Committee notes that numerous individuals submitted testimony and comments, sharing many different viewpoints. Those in favor of the resolution cited several reasons, including, among others:

- (1) The City & County of Honolulu has established a sister city relationship with the City of Hue, which is the capital of Thua Thien-Hue Province, one of Vietnam's five largest cities, and the richest in cultural sites and heritage;
- (2) Hawaii and Hue share the rich cultural heritage of being home to a monarch;
- (3) Hawaii will be the only U.S. state to have an affiliation with Hue City and Province;
- (4) The Travel Industry Management School, College of Business Administration, and Law School of the University of Hawaii have already established exchanges and working relationships with universities in Vietnam; and
- (5) Relations between Hawaii and Hue offers the potential of opportunity for cultural and educational relationships and exchanges that would provide a rich context for economic interdependence.

Individuals opposing this measure expressed dismay at the offer of extending formal relations between Hawaii and Vietnam for a number of reasons, including:

- (1) Concerns that Communist officials commit daily abuses to religious and political leaders, and authorities in Thua Thien-Hue continue to arrest and detain citizens;
- (2) Concerns that tourism exchange may not be economically feasible for the average Vietnamese citizen, whose wages are comparatively small, with fifty percent of the population below the poverty line;
- (3) Concerns that the Vietnamese Government currently participates in the sex trade and trafficking of women, through the use of passport control; and
- (4) Concerns that while this resolution is offered in the spirit of internationalism and goodwill, conversely, political corruption is present within the Vietnamese Government, and concessions to a Communist regime may result in emboldened abuses.

Upon consideration of the numerous comments and testimonies offered, your Committee has made the following amendments to this measure:

- (1) Changing the title of this resolution to read: "ENCOURAGING THE PROLIFERATION OF DEMOCRACY, PROTECTION OF HUMAN RIGHTS AND ECONOMIC OPENNESS IN VIETNAM BY MEANS OF A SISTER-PROVINCE AFFILIATION WITH THE PROVINCE OF THUA THIEN-HUA IN VIETNAM";
- (2) Adding language to emphasize that the fall of the Berlin Wall on November 9, 1989 and the dissolution of the Soviet Union on December 26, 1991 has greatly de-legitimized the existence of Communist regimes in the 21<sup>st</sup> century, and change is needed in states such as Vietnam;
- (3) Making references to scholarly research and historical examples indicating positive benefits of economic interdependence;
- (4) Clarifying that the Legislature seeks diplomatic and economic engagement as a device to bring about and facilitate democratic transition and a continuum of human rights and economic freedom in Vietnam; and
- (5) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee wishes to reaffirm its sensitivity to concerns about human rights abuses, corruption, and political oppression abroad, and emphasizes that this resolution was passed in the spirit of goodwill and international diplomacy.

Your Committee further wishes to note that calls for interaction and sister-province affiliation with Vietnam began with the vision and original leadership of the former Representative of the 4th District, Representative Helene Hale, and your Committee has passed this measure to continue her call for peaceful engagement.

Your Committee expresses its strong desire to facilitate forgiveness, political reconciliation, cooperation, and collaboration between Vietnam and the United States, given the legacy of the Vietnam War, that swords might be turned into plowshares through a sister-state affiliation, for as the late President Ronald Reagan noted before the 42nd session of the United Nations General Assembly, "Cannot swords be turned into plowshares? Can we and all nations not live in peace? In our obsession with antagonisms of the moment, we often forget how much unites all the members of humanity. Perhaps we need some outside, universal threat to make us recognize this common bond. I occasionally think how quickly our differences worldwide would vanish if we were facing an alien threat from outside this world. And yet, I ask you, is not an alien force already among us? What could be more alien to the universal aspirations of our peoples than war and the threat of war?"

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 249, as amended herein, and recommends that it be referred to the Committee on Tourism & Culture in the form attached hereto as H.R. No. 249, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Green, Shimabukuro, Tokioka and Awana.

**SCRep. 1570 International Affairs on H.C.R. No. 314**

The purpose of this concurrent resolution is to approve and authorize the establishment of state-provincial relations of friendship between the State of Hawaii and the Province of Thua Thien-Hue of the Socialist Republic of Vietnam.

Pacific Management Resources, Group 70 International, TAF International, Vietnamese American Chamber of Commerce, and numerous individuals submitted testimony in support of this measure. The Department of Business, Economic Development and Tourism supported the intent of this measure. Numerous individuals opposed this measure.

Your Committee notes that numerous individuals submitted testimony and comments, sharing many different viewpoints. Those in favor of the resolution cited several reasons, including, among others:

- (1) The City & County of Honolulu has established a sister city relationship with the City of Hue, which is the capital of Thua Thien-Hue Province, one of Vietnam's five largest cities, and the richest in cultural sites and heritage;
- (2) Hawaii and Hue share the rich cultural heritage of being home to a monarch;
- (3) Hawaii will be the only U.S. state to have an affiliation with Hue City and Province;
- (4) The Travel Industry Management School, College of Business Administration, and Law School of the University of Hawaii have already established exchanges and working relationships with universities in Vietnam; and

- (5) Relations between Hawaii and Hue offers the potential of opportunity for cultural and educational relationships and exchanges that would provide a rich context for economic interdependence.

Individuals opposing this measure expressed dismay at the offer of extending formal relations between Hawaii and Vietnam for a number of reasons, including:

- (1) Concerns that Communist officials commit daily abuses to religious and political leaders, and authorities in Thua Thien-Hue continue to arrest and detain citizens;
- (2) Concerns that tourism exchange may not be economically feasible for the average Vietnamese citizen, whose wages are comparatively small, with fifty percent of the population below the poverty line;
- (3) Concerns that the Vietnamese Government currently participates in the sex trade and trafficking of women, through the use of passport control; and
- (4) Concerns that while this resolution is offered in the spirit of internationalism and goodwill, conversely, political corruption is present within the Vietnamese Government, and concessions to a Communist regime may result in emboldened abuses.

Upon consideration of the numerous comments and testimonies offered, your Committee has made the following amendments to this measure:

- (1) Changing the title of this concurrent resolution to read: "ENCOURAGING THE PROLIFERATION OF DEMOCRACY, PROTECTION OF HUMAN RIGHTS AND ECONOMIC OPENNESS IN VIETNAM BY MEANS OF A SISTER-PROVINCE AFFILIATION WITH THE PROVINCE OF THUA THIEN-HUA IN VIETNAM";
- (2) Adding language to emphasize that the fall of the Berlin Wall on November 9, 1989 and the dissolution of the Soviet Union on December 26, 1991 has greatly de-legitimized the existence of Communist regimes in the 21<sup>st</sup> century, and change is needed in states such as Vietnam;
- (3) Making references to scholarly research and historical examples indicating positive benefits of economic interdependence;
- (4) Clarifying that the Legislature seeks diplomatic and economic engagement as a device to bring about and facilitate democratic transition and a continuum of human rights and economic freedom in Vietnam; and
- (5) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee wishes to reaffirm its sensitivity to concerns about human rights abuses, corruption, and political oppression abroad, and emphasizes that this concurrent resolution was passed in the spirit of goodwill and international diplomacy.

Your Committee further wishes to note that calls for interaction and sister-province affiliation with Vietnam began with the vision and original leadership of the former Representative of the 4th District, Representative Helene Hale, and your Committee has passed this measure to continue her call for peaceful engagement.

Your Committee expresses its strong desire to facilitate forgiveness, political reconciliation, cooperation, and collaboration between Vietnam and the United States, given the legacy of the Vietnam War, that swords might be turned into plowshares through a sister-state affiliation, for as the late President Ronald Reagan noted before the 42nd session of the United Nations General Assembly, "Cannot swords be turned into plowshares? Can we and all nations not live in peace? In our obsession with antagonisms of the moment, we often forget how much unites all the members of humanity. Perhaps we need some outside, universal threat to make us recognize this common bond. I occasionally think how quickly our differences worldwide would vanish if we were facing an alien threat from outside this world. And yet, I ask you, is not an alien force already among us? What could be more alien to the universal aspirations of our peoples than war and the threat of war?"

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 314, as amended herein, and recommends that it be referred to the Committee on Tourism & Culture in the form attached hereto as H.C.R. No. 314, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Green, Shimabukuro, Tokioka and Awana.

**SCRep. 1571 Labor & Public Employment on H.R. No. 61**

The purpose of this resolution is to encourage the United State Congress to pass the proposed Employee Free Choice Act that has been introduced in Congress. The Employee Free Choice Act would authorize the National Labor Relations Board to certify a union as the bargaining representative when a majority of employees voluntarily sign authorizations for the union to represent them in negotiations. The act would also provide for arbitration and mediation, and establish penalties for non-compliance with the act.

The Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, and the Laborers' International Union Local 368 testified in support of this measure. The Department of Labor and Industrial Relations offered comments.

Your committee finds that labor unions are an effective means for employees to negotiate and preserve their rights regarding wages, employment conditions, and other areas related to the workplace. The proposed Employee Free Choice Act will help protect the rights of workers and prevent potential violations of these rights. This resolution is necessary to provide support in the United States Congress for the passing of the proposed act.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1572 Labor & Public Employment on H.C.R. No. 85**

The purpose of this resolution is to encourage the United State Congress to pass the proposed Employee Free Choice Act that has been introduced in Congress. The Employee Free Choice Act would authorize the National Labor Relations Board to certify a union as the bargaining representative when a majority of employees voluntarily sign authorizations for the union to represent them in negotiations. The act would also provide for arbitration and mediation, and establish penalties for non-compliance with the act.

The Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, and the Laborers' International Union Local 368 testified in support of this measure. The Department of Labor and Industrial Relations offered comments.



Your committee finds that labor unions are an effective means for employees to negotiate and preserve their rights regarding wages, employment conditions, and other areas related to the workplace. The proposed Employee Free Choice Act will help protect the rights of workers and prevent potential violations of these rights. This Concurrent Resolution is necessary to provide support in the United States Congress for the passing of the proposed act.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 85 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1573 Human Services & Housing on H.R. No. 107**

The purpose of this resolution is to support the breastfeeding mothers' bill of rights offered as Senate Bill No. 1674 and Assembly Bill No. 3782 in the New York State Legislature.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 107 and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram and Cabanilla.

**SCRep. 1574 Human Services & Housing on H.C.R. No. 133**

The purpose of this resolution is to support the breastfeeding mothers' bill of rights offered as Senate Bill No. 1674 and Assembly Bill No. 3782 in the New York State Legislature.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 133 and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram and Cabanilla.

**SCRep. 1575 Human Services & Housing on H.R. No. 113**

The purpose of this resolution is to request the Department of Human Services (DHS) to consider internal mechanisms for improving adult protective services without legislation.

The Hawaii Chapter of the National Association of Social Workers and Catholic Charities Hawaii supported the intent of this resolution. DHS provided comments.

Your Committee has amended this resolution by:

- (1) Changing its title to read, "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO COLLECT DATA AND REPORT STATISTICS RELATED TO CASES OF ABUSE OF VULNERABLE ADULTS";
- (2) Narrowing its scope to focus on the collection and reporting of data and encouraging incidents of abuse to be reported; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 113, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 113, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1576 Human Services & Housing on H.C.R. No. 140**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to consider internal mechanisms for improving adult protective services without legislation.

The Hawaii Chapter of the National Association of Social Workers and Catholic Charities Hawaii supported the intent of this concurrent resolution. DHS provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read, "REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO COLLECT DATA AND REPORT STATISTICS RELATED TO CASES OF ABUSE OF VULNERABLE ADULTS";
- (2) Narrowing its scope to focus on the collection and reporting of data and encouraging incidents of abuse to be reported; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 140, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 140, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Green.

**SCRep. 1577 Education on H.R. No. 35**

The purpose of this resolution is to urge the Department of Education (DOE) to study the feasibility of integrating peace education into the school curriculum.

A teacher from Pacific Buddhist Academy and students of Pacific Buddhist Academy, Honoka'a High School, Kalaniana'ole Intermediate School, Paauilo Elementary and Intermediate School, and Laupahoehoe Elementary and High School testified in support of this measure.

Based on the students' testimonies, it is the intent of this committee to have the feasibility study conducted with the DOE Civic Responsibility Working Group, Hawaii State Student Council and Student Conference Committee, Pacific Buddhist Academy, Service Learning Coordinator at DOE, and the Service Learning Impact Office at the University of Hawaii at Manoa.

Also, for clarification, components of peace curriculum should include civic responsibility, service learning, leadership skills development, and content dispositions, skills and applications. Furthermore, school curriculum should include content in subjects and disciplines, as well as integrated activities, both curricular and co-curricular.

In addition, based on the students' testimonies, administration and teacher in-service and pre-service training regarding the philosophy and pedagogy of peace education should also be included in this study.

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. 35 and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine, Wakai and Ching.

**SCRep. 1578 Education on H.C.R. No. 55**

The purpose of this concurrent resolution is to urge the Department of Education (DOE) to study the feasibility of integrating peace education into the school curriculum.

A teacher from Pacific Buddhist Academy and students of Pacific Buddhist Academy, Honoka'a High School, Kalaniana'ole Intermediate School, Paauilo Elementary and Intermediate School, and Laupahoehoe Elementary and High School testified in support of this measure.

Based on the students' testimonies, it is the intent of this committee to have the feasibility study conducted with the DOE Civic Responsibility Working Group, Hawaii State Student Council and Student Conference Committee, Pacific Buddhist Academy, Service Learning Coordinator at DOE, and the Service Learning Impact Office at the University of Hawaii at Manoa.

Also, for clarification, components of peace curriculum should include civic responsibility, service learning, leadership skills development, and content dispositions, skills and applications. Furthermore, school curriculum should include content in subjects and disciplines, as well as integrated activities, both curricular and co-curricular.

In addition, based on the students' testimonies, administration and teacher in-service and pre-service training regarding the philosophy and pedagogy of peace education should also be included in this study.

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. 55 and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Saiki, Takai, Takamine, Wakai and Ching.

**SCRep. 1579 Transportation on S.B. No. 776**

The purpose of this bill is to clarify responsibilities for conducting fire inspections at state-owned airport facilities.

The Department of Transportation, State Fire Council, Honolulu Fire Department, and Kauai Fire Department testified in support of this bill.

Current law requires county fire departments to inspect all state-owned and county-owned buildings. However, all state airports are also required to be inspected by the State. This has caused duplication in inspections at Hawaii's airports. Moreover, county fire departments have had difficulties accessing state airports due to stringent security requirements at these facilities. Your Committee finds that exempting county fire departments from conducting inspections at state airports will solve this problem.

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. 776 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 Har, Lee, Luke, McKelvey, Meyer and Pine.

**SCRep. 1580 Transportation on S.B. No. 1513**

The purpose of this bill is to conform state motor vehicle equipment specifications to federal and automobile manufacturers' specifications by:

- (1) Changing the minimum headlamp height requirement from 24 inches to 22 inches; and
- (2) Deleting the requirement that a license plate be attached to a vehicle at a point no lower than 12 inches above the ground.

The Department of Transportation (DOT) testified in support of this bill.

Currently, automobiles in Hawaii must comply with motor vehicle equipment specifications that require headlights to be mounted no lower than 24 inches above the road surface when measured to the headlight's center. However, Federal Motor Vehicle Safety Standard (FMVSS) 108 allows manufacturers to install headlights on a vehicle at a minimum height of 22 inches. Since these vehicles meet the requirements of FMVSS 108, they cannot be cited under Hawaii's law. Confusion occurs with vehicles manufactured with headlights higher than 24 inches that may be modified resulting in lowered headlights. These vehicles may fall into a gap group of vehicles since they would meet the federal standard but not the state standard. Changing Hawaii's headlight requirements to conform to federal standards would lessen this confusion.

Additionally, license plates on motor vehicles must be securely fastened to the vehicle in a position that is no less than 12 inches from the ground. Your Committee finds that this requirement should be eliminated since many vehicles, especially specialty vehicles and sports cars, have license plate mounts lower than 12 inches above the ground.

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. 1513 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 Har, Lee, McKelvey, Meyer and Pine.

**SCRep. 1581 Transportation on S.B. No. 1509**

The purpose of this bill is to improve traffic management by allowing the Director of Transportation (Director) to establish minimum occupancy requirements for vehicles using high occupancy vehicle (HOV) lanes.

The Department of Transportation testified in support of this bill.

HOV lanes were initially established to encourage ridesharing among motorists, thereby reducing congestion on Hawaii's roadways. Hawaii law currently allows vehicles carrying two or more persons to use HOV lanes. This situation does not allow adjustments to be made to meet traffic demands and traffic volume. Your Committee finds that providing the Director with the flexibility to adjust the occupancy requirements of HOV lanes will improve traffic management of our roadways.

Your Committee has amended this bill by changing its effective date to July 1, 2007.

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. 1509, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1509, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Har, Lee, McKelvey, Meyer and Pine.

**SCRep. 1582            Judiciary on S.B. No. 228**

The purpose of this bill is to strengthen the penalties for committing graffiti by requiring:

- (1) A minor offender or the parents or legal guardians to remove the graffiti from the affected property within 60 days and to pay for the cost of paint and materials; and
- (2) A minor offender to perform a minimum of 80 hours of community service to remove graffiti from other properties.

Currently, the court may order the offender, parents, or legal guardians to pay the actual cost of having the damaged property repaired or replaced.

The Department of Transportation, Honolulu Police Department, Downtown Neighborhood Board No. 13, Hui o Makiki, Waikale Community Association, Waimanalo Hawaiian Homes Association, and several concerned individuals testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee finds that there should be more discussion on whether to remove family court sentencing discretion in graffiti cases. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Establishes the Graffiti Eradication Sentencing Program (Program) within the Judiciary that, among other things:
  - (A) Coordinates the implementation, scheduling, and monitoring of graffiti eradication activities for graffiti offenders who have been sentenced to community service; and
  - (B) Prescribes a course of action that a graffiti offender must undertake to discharge a community service sentence;
- (2) Requires persons found in violation of any grade of offense for criminal property damage involving graffiti to perform community service to eradicate or mitigate graffiti;
- (3) Allows the court to determine the hours of community service based on an estimate of the time required to eradicate or mitigate the graffiti inflicted by the offender;
- (4) Allows the court to delegate to the Program the estimate of the hours of community service required to eradicate or mitigate the graffiti inflicted by an offender;
- (5) Requires the performance of community service under this alternative sentencing by the Program to be performed pursuant to the requirements of the Program;
- (6) Eliminates the five-year, look-back period for the crime of aggravated criminal property damage; and
- (7) Sets the effective date to January 1, 2112.

As affirmed by the record of votes of 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. 228, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 228, 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, Luke, McKelvey, Sonson, Souki, Yamashita and Thielen.

**SCRep. 1583            Judiciary on S.B. No. 755**

The purpose of this bill is to ensure the independence and impartiality of county ethics commissioners by establishing standards and a process for their selection.

The League of Women Voters of Hawaii testified in support of this bill.

Your Committee understands the importance of this bill's intent to distance the appointment of county ethics commissioners from the county mayors and the county councils whose actions and conduct the commissioners will oversee. However, your Committee is concerned that designation of an "independent body," without further specifications or requirements as to how that body itself is selected, may result in delaying the favorable result this measure seeks.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2112, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 755, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 755, 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, Luke, McKelvey, Sonson, Souki, Yamashita and Thielen.

**SCRep. 1584            Health on S.B. No. 1750**

The purpose of this bill is to prevent deaths and disabilities that arise from shaken baby syndrome.

Specifically, this measure allows hospitals and health care facilities that provide medical care to newborn infants to provide parents with written educational materials on the dangerous effects of shaken baby syndrome and ways to prevent actions causing shaken baby syndrome.

Healthy Mothers, Healthy Babies Coalition of Hawaii, Healthcare Association of Hawaii, and several concerned individuals supported this bill. The American Academy of Pediatrics – Hawaii supported the intent of this measure. The Department of Health opposed this bill. A concerned individual submitted comments.

Your Committee recognizes that shaken baby syndrome is a dangerous problem that frequently results in death or disability of newborns. Shaken baby syndrome is preventable through education of parents on the dangers and repercussions of shaking an infant and providing all parents with methods of prevention.

Your Committee has amended this bill by:

- (1) Requiring hospitals that provide medical care for newborn infants to provide parents with educational materials on shaken baby syndrome; 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. 1750, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1750, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1585 Health on H.R. No. 263**

The purpose of this resolution is to improve the Hawaii Health Systems Corporation as a system by convening a joint task force to review and make recommendations concerning its structure and operations.

The Hawaii Health Systems Corporation strongly supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 263 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Green, Shimabukuro and Tokioka.

**SCRep. 1586 Health on H.C.R. No. 326**

The purpose of this concurrent resolution is to improve the Hawaii Health Systems Corporation as a system by convening a joint task force to review and make recommendations concerning its structure and operations.

The Hawaii Health Systems Corporation strongly supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 326 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Green, Shimabukuro and Tokioka.

**SCRep. 1587 Health on H.C.R. No. 89**

The purpose of this concurrent resolution is to create opportunities and an infrastructure that will facilitate alternative community-based programs that would be comprehensive, prevent institutionalization, and effectively contain rising long-term care costs by urging the University of Hawaii to extend its current land lease agreement with Leahi Hospital.

Leahi Hospital, AARP – Hawaii, and Assisted Living Options Hawaii supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89 and recommends that it be referred to the Committee on Higher Education.

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

**SCRep. 1588 Labor & Public Employment/Economic Development & Business Concerns on H.R. No. 108**

The purpose of this resolution is to encourage the Employees' Retirement System (ERS) to invest in Hawaii venture capital.

The Hawaii Science and Technology Council testified in support of the intent of this measure. The Department of Business, Economic Development, and Tourism testified in opposition to this measure. The ERS submitted comments.

The diversification of Hawaii's economy, which is heavily based on tourism, has been a goal of the State for a number of years. One way in which diversification is possible is through innovative and high technology industries. For these types of industries to succeed, venture capital funding is critical. While some attempts have been made to invest in Hawaii venture capital in the past, your Committees find that this should be reviewed once again and that encouraging the ERS to invest prudently in Hawaii venture capital will go a long way to continuing Hawaii's attempts to diversify its economy.

However, your Committees note the concerns raised by the ERS regarding prudence, fiduciary responsibilities, and certain inaccurate data noted in the measure. Accordingly, your Committees have amended this measure by:

- (1) Removing references to Arkansas and Michigan;
- (2) Specifying the Legislature's intent so as not to conflict with federal tax law by stipulating that the ERS Board of Trustees should act prudently when consideration is given to investing in Hawaii venture capital;
- (3) Deleting language requesting the ERS to review whether removing any liability to fiduciaries for investing moderate amounts in Hawaii venture capital will result in further investment in Hawaii venture capital, since federal tax laws do not allow state laws to relieve the ERS Board of Trustees from their fiduciary duties;
- (4) Inserting language requesting the ERS to propose structural changes to enable prudent investment in Hawaii venture capital; and
- (5) Clarifying that rather than reporting the ERS' attempts at investing in Hawaii venture capital; the reasons for not doing so; and submitting legislation to encourage investment in Hawaii venture capital, the ERS provide a detailed report as to what investments have been made in Hawaii venture capital and what reviews were completed and considerations given to Hawaii venture capital.

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

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 108, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 108, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Luke, Souki, Takamine, Yamane, Ching, Marumoto and Meyer.

**SCRep. 1589 Labor & Public Employment/Economic Development & Business Concerns on H.C.R. No. 134**

The purpose of this concurrent resolution is to encourage the Employees' Retirement System (ERS) to invest in Hawaii venture capital.

The Hawaii Science and Technology Council testified in support of the intent of this measure. The Department of Business, Economic Development, and Tourism testified in opposition to this measure. The ERS submitted comments.

The diversification of Hawaii's economy, which is heavily based on tourism, has been a goal of the State for a number of years. One way in which diversification is possible is through innovative and high technology industries. For these types of industries to succeed, venture capital funding is critical. While some attempts have been made to invest in Hawaii venture capital in the past, your Committees find that this should be reviewed once again and that encouraging the ERS to invest prudently in Hawaii venture capital will go a long way to continuing Hawaii's attempts to diversify its economy.

However, your Committees note the concerns raised by the ERS regarding prudence, fiduciary responsibilities, and certain inaccurate data noted in the measure. Accordingly, your Committees have amended this measure by:

- (1) Removing references to Arkansas and Michigan;
- (2) Specifying the Legislature's intent so as not to conflict with federal tax law by stipulating that the ERS Board of Trustees should act prudently when consideration is given to investing in Hawaii venture capital;
- (3) Deleting language requesting the ERS to review whether removing any liability to fiduciaries for investing moderate amounts in Hawaii venture capital will result in further investment in Hawaii venture capital, since federal tax laws do not allow state laws to relieve the ERS Board of Trustees from their fiduciary duties;
- (4) Inserting language requesting the ERS to propose structural changes to enable prudent investment in Hawaii venture capital; and
- (5) Clarifying that rather than reporting the ERS' attempts at investing in Hawaii venture capital; the reasons for not doing so; and submitting legislation to encourage investment in Hawaii venture capital, the ERS provide a detailed report as to what investments have been made in Hawaii venture capital and what reviews were completed and considerations given to Hawaii venture capital.

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

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 134, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 134, H.D. 1.

Signed by all members of the Committee except Representatives Herkes, Luke, Souki, Takamine, Yamane, Ching, Marumoto and Meyer.

**SCRep. 1590 Higher Education on H.R. No. 37**

The purpose of this resolution is to request the University of Hawaii (UH) to plan sufficient on-campus parking at Kapiolani community College (KCC).

Testimony in support of this measure was submitted by the UH and one concerned individual.

Upon consideration of the testimony received your Committee has amended this resolution to request the UH to consider biking and walking as modes of transportation on campus, and to include provisions for these when drawing up a master plan for additional parking at KCC.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 37, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 37, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1590 Higher Education on H.R. No. 37**

The purpose of this resolution is to request the University of Hawaii (UH) to plan sufficient on-campus parking at Kapiolani community College (KCC).

Testimony in support of this measure was submitted by the UH and one concerned individual.

Upon consideration of the testimony received your Committee has amended this resolution to request the UH to consider biking and walking as modes of transportation on campus, and to include provisions for these when drawing up a master plan for additional parking at KCC.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 37, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 37, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1591 Higher Education on H.C.R. No. 56**

The purpose of this concurrent resolution is to request the University of Hawaii (UH) to plan sufficient on-campus parking at Kapiolani community College (KCC).

Testimony in support of this measure was submitted by the UH and one concerned individual.

Upon consideration of the testimony received your Committee has amended this concurrent resolution to request the UH to consider biking and walking as modes of transportation on campus, and to include provisions for these when drawing up a master plan for additional parking at KCC.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 56, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1592 Transportation on H.R. No. 69**

The purpose of this resolution is to request the county police departments to vigorously enforce the provisions of section 291-24, Hawaii Revised Statutes, requiring the equipping and operation of mufflers on mopeds and the prevention of the modification of any muffler that will amplify or increase the noise emitted by the moped motor.

No individuals testified either for or against this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 69 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1593                    Transportation on H.C.R. No. 91**

The purpose of this concurrent resolution is to request the county police departments to vigorously enforce the provisions of section 291-24, Hawaii Revised Statutes, requiring the equipping and operation of mufflers on mopeds and the prevention of the modification of any muffler that will amplify or increase the noise emitted by the moped motor.

No individuals testified either for or against this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 91 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1594                    Transportation on H.C.R. No. 142**

The purpose of this concurrent resolution is to urge the police departments of the City and County of Honolulu, the counties of Maui, Kauai and Hawaii, and the Department of Public Safety, Sheriff's Division, to set up checkpoints to identify and issue citations to drivers who do not have the required motor vehicle insurance or to at least check for motor vehicle insurance in conjunction with a checkpoint for drunk driving or seat belts.

No testimonies were received either in support of or in opposition to this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 142 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1595                    Transportation on H.C.R. No. 240**

The purpose of this concurrent resolution is to request the President of the Senate and the Speaker of the House of Representatives to convene a task force to recommend a process to create a Citizen Road Watch program.

There were no testimonies received either supporting or opposing this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 240 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1596                    Health/Human Services & Housing on H.R. No. 255**

The purpose of this resolution is to seek solutions to the state's loss of physicians by creating a temporary task force to examine relevant issues that may contribute to the exodus of physicians from Hawaii and to recommend ways to retain our doctors.

The Hawaii Medical Service Association and National Multiple Sclerosis Society supported this resolution. The Hawaii Medical Association submitted comments.

Your Committees have amended this resolution by:

- (1) Providing for the appointment of five members to the task force by the Governor;
- (2) Requesting the Speaker of the House of Representatives and the Senate President to jointly appoint four members to the task force;
- (3) Requesting that the task force be placed within the Department of Commerce and Consumer Affairs for administrative purposes; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 255, as amended herein, and recommend that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 255, H.D. 1.

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

**SCRep. 1597                    Higher Education on H.R. No. 131**

The purpose of this resolution is to request the University of Hawaii (UH) to develop a comprehensive long-term financial plan and conduct a policy review of State and UH policies which affect the UH's ability to effectively utilize its resources.

Testimony in support of this resolution was submitted by the UH.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 131 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1598                    Higher Education on H.C.R. No. 166**

The purpose of this concurrent resolution is to request the University of Hawaii (UH) to develop a comprehensive long-term financial plan and conduct a policy review of State and UH policies which affect the UH's ability to effectively utilize its resources.

Testimony in support of this concurrent resolution was submitted by the UH.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1599 Higher Education on H.R. No. 132**

The purpose of this resolution is to create a University of Hawaii (UH) Second Century Promise Task Force to develop a funding formula for state funds to the UH System.

The UH submitted testimony in support of the intent of this resolution.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 132 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1600 Higher Education on H.C.R. No. 167**

The purpose of this concurrent resolution is to create a University of Hawaii (UH) Second Century Promise Task Force to develop a funding formula for state funds to the UH System.

The UH submitted testimony in support of the intent of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1601 Higher Education on H.R. No. 196**

The purpose of this resolution is to request the University of Hawaii (UH) to provide financial assistance to students from Pacific Island jurisdictions that have historical ties to the U.S. but do not have public higher educational institutions that grant baccalaureate degrees.

The Hawaii County Council District 6 Councilmember and five concerned individuals submitted testimony in support of this resolution. The UH submitted testimony in opposition of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 196 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1602 Higher Education on H.C.R. No. 245**

The purpose of this concurrent resolution is to request the University of Hawaii (UH) to provide financial assistance to students from Pacific Island jurisdictions that have historical ties to the U.S. but do not have public higher educational institutions that grant baccalaureate degrees.

The Hawaii County Council District 6 Councilmember and five concerned individuals submitted testimony in support of this concurrent resolution. The UH submitted testimony in opposition of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1603 Higher Education/Labor & Public Employment on H.R. No. 139**

The purpose of this resolution is to request the University of Hawaii to submit a report with information regarding the salaries of UH Manoa faculty and administrators.

The University of Hawaii Professional Assembly and one concerned individual submitted testimony in support of this resolution. The University of Hawaii opposed this measure in its current form, and commented on how certain information could be reported to the Legislature on a departmental basis rather than on individual cases as requested.

Based on testimony received your Committees have amended this measure by:

- (1) Requesting that the salaries of executives and management be included in the report; and
- (2) Removing certain provisions originally requested to be included in the report; and
- (3) Changing the title of this resolution to read:  
"REQUESTING THAT THE UNIVERSITY OF HAWAII SUBMIT A REPORT WITH INFORMATION REGARDING THE SALARIES OF UH-MANOA EXECUTIVES, MANAGEMENT, FACULTY AND ADMINISTRATORS"; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 139, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 139, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Lee, Luke, Saiki, Shimabukuro, Souki and Finnegan.

**SCRep. 1604 Higher Education/Labor & Public Employment on H.C.R. No. 177**

The purpose of this concurrent resolution is to request the University of Hawaii to submit a report with information regarding the salaries of UH Manoa faculty and administrators.

The University of Hawaii Professional Assembly and one concerned individual submitted testimony in support of this concurrent resolution. The University of Hawaii opposed this measure in its current form, and commented on how certain information could be reported to the Legislature on a departmental basis rather than on individual cases as requested.

Based on testimony received, your Committees have amended this measure by:

- (1) Requesting that the salaries of management be included in the report; and
- (2) Removing certain provisions originally requested to be included in the report; and
- (3) Changing the title of this concurrent resolution to read:  
"REQUESTING THAT THE UNIVERSITY OF HAWAII SUBMIT A REPORT WITH INFORMATION REGARDING THE SALARIES OF UH-MANOA EXECUTIVES, MANAGEMENT, FACULTY AND ADMINISTRATORS"; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 177, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 177, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Lee, Luke, Saiki, Shimabukuro, Souki and Finnegan.

**SCRep. 1605 Health on H.R. No. 234**

The purpose of this resolution is to provide people with rapid and effective treatment for human immunodeficiency virus (HIV) by urging the Governor to change the Hawaii Administrative Rules to allow rapid HIV testing in the state.

Life Foundation and several concerned individuals supported this measure. The Department of Health submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 234 and recommends its adoption.

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

**SCRep. 1606 Health on H.C.R. No. 293**

The purpose of this concurrent resolution is to provide people with rapid and effective treatment for human immunodeficiency virus (HIV) by urging the Governor to change the Hawaii Administrative Rules to allow rapid HIV testing in the state.

Life Foundation and several concerned individuals supported this measure. The Department of Health submitted comments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 293 and recommends its adoption.

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

**SCRep. 1607 Health/Human Services & Housing on H.R. No. 49**

The purpose of this resolution is to uphold the civil rights of our frail elderly and disabled population by requesting the Department of Health (DOH) to develop and adopt policies that ensure notification by all healthcare facilities and healthcare providers to the Governor-designated protection and advocacy entity or agency prior to transferring any individual out-of-state to a treatment, rehabilitation, or long-term care facility.

The Hawaii Disability Rights Center and a concerned individual supported this resolution. The State Council on Developmental Disabilities and Healthcare Association of Hawaii (HAH) supported the intent of this measure. Several concerned individuals did not support this resolution. DOH opposed this measure. The Department of Human Services and Queen's Medical Center submitted comments.

Your Committees have amended this resolution by:

- (1) Changing its scope to focus on the financial impacts incurred by Hawaii's hospitals and the shortage of long term-care facilities in Hawaii; and
- (2) Requesting HAH to study this problem and report back to the Legislature.

Accordingly, the title of this measure has been amended to read: "REQUESTING THE HEALTHCARE ASSOCIATION OF HAWAII TO EXAMINE THE PROBLEM OF PATIENTS IN ACUTE CARE HOSPITALS WAITLISTED FOR LONG-TERM CARE AND TO PROPOSE SOLUTIONS."

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 49, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 49, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1608 Health/Human Services & Housing on H.C.R. No. 72**

The purpose of this concurrent resolution is to uphold the civil rights of our frail elderly and disabled population by requesting the Department of Health (DOH) to develop and adopt policies that ensure notification by all healthcare facilities and healthcare providers to the Governor-designated protection and advocacy entity or agency prior to transferring any individual out-of-state to a treatment, rehabilitation, or long-term care facility.

The Hawaii Disability Rights Center and a concerned individual supported this concurrent resolution. The State Council on Developmental Disabilities and Healthcare Association of Hawaii (HAH) supported the intent of this measure. Several concerned individuals did not support this concurrent resolution. DOH opposed this measure. The Department of Human Services and Queen's Medical Center submitted comments.

Your Committees have amended this concurrent resolution by:



- (1) Changing its scope to focus on the financial impacts incurred by Hawaii's hospitals and the shortage of long term-care facilities in Hawaii; and
- (2) Requesting HAH to study this problem and report back to the Legislature.

Accordingly, the title of this measure has been amended to read: "REQUESTING THE HEALTHCARE ASSOCIATION OF HAWAII TO EXAMINE THE PROBLEM OF PATIENTS IN ACUTE CARE HOSPITALS WAITLISTED FOR LONG-TERM CARE AND TO PROPOSE SOLUTIONS."

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 72, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 72, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1609 Higher Education on H.R. No. 109**

The purpose of this resolution is to request the University of Hawaii (UH) to perform a comparison study of the Board of Regents (BOR) of the UH and the boards of regents of similar state universities across the nation.

Testimony with comments was submitted by the UH.

Based on the testimony received and pursuant discussion your Committee has amended this measure by:

- (1) Requesting the UH to focus the comparison study on the BOR's powers and responsibilities in relation to state statutes and the boards of regents of similar state universities across the nation with the intent of enabling the BOR to:
  - (a) Delegate those matters that should be delegated; and
  - (b) Retain those matters that meet their fiduciary responsibility for the UH; and
- (2) Making technical nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 109, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1610 Higher Education on H.C.R. No. 135**

The purpose of this concurrent resolution is to request the University of Hawaii (UH) to perform a comparison study of the Board of Regents (BOR) of the UH and the boards of regents of similar state universities across the nation.

Testimony with comments was submitted by the UH.

Based on the testimony received and pursuant discussion your Committee has amended this measure by:

- (1) Requesting the UH to focus the comparison study on the BOR's powers and responsibilities in relation to state statutes and the boards of regents of similar state universities across the nation with the intent of enabling the BOR to:
  - (a) Delegate those matters that should be delegated; and
  - (b) Retain those matters that meet their fiduciary responsibility for the UH; and
- (2) Making technical nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 135, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 135, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1611 Higher Education/Labor & Public Employment on S.B. No. 46**

The purpose of this bill is to require public disclosure of proposed compensation or changes in compensation for administrative positions in the University of Hawaii (UH) system that are filled by civil-service exempt employees.

The UH Professional Assembly and The League of Women Voters of Hawaii testified in support of this bill. UH opposed this measure. The Office of Information Practices offered comments.

Your Committees have amended this bill by:

- (1) Deleting the provision requiring the disclosure of proposed compensation or changes in compensation for certain civil-service exempt employees from the collective bargaining and public agency meeting laws and the annual report of the UH Board of Regents (BOR);
- (2) Clarifying that notwithstanding any other law to the contrary, BOR shall publicly disclose, no later than ten business days before any related open meeting convened for purposes of public comment, compensation offered to newly hired employees and changes in compensation offered to existing employees for administrative positions in the UH system filled by excluded employees;
- (3) Changing the effective date to July 1, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 46, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 46, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Luke, McKelvey, Saiki, Shimabukuro, Souki and Finnegan.

**SCRep. 1612 Consumer Protection & Commerce on S.B. No. 1011**

The purpose of this bill is to provide consumers a convenient means of obtaining replacement car keys by establishing a process requiring motor vehicle manufacturers, through a registered locksmith, to make available to registered owners the information necessary to produce a replacement key or other device allowing the registered owner to enter, start, and operate the vehicle.

The Property Casualty Insurers Association of America, AAA Hawaii, AAA California, and a concerned individual testified in support of this bill. The Motor Vehicle Industry Licensing Board, Hawaii Automobile Dealers Association, Alliance of Automobile Manufacturers, BMW of Honolulu, and JN Group, Inc., opposed this measure.

Your Committee finds that today's car keys are embedded with microchips or other features requiring special codes and other information to replace these keys. Vehicle manufacturers often restrict access to this information to their own dealer networks, forcing locksmiths to tear apart steering columns or door panels to access the information; requiring cars to be towed or shipped to dealers to have keys made; or causing delays in the delivery of replacement keys that must be shipped from outside the state. As a result, drivers may incur significant inconvenience and cost when trying to replace a high-tech car key that has been lost, stolen, or damaged. This measure seeks to address these concerns by allowing vehicle owners to request from vehicle manufacturers the information necessary to produce replacement car keys.

Your Committee also recognizes that the motor vehicle industry has raised concerns that the release of car key information may compromise vehicle security systems, and that consumer convenience in obtaining replacement keys may be met by vehicle manufacturers who arrange for vehicle owners to receive replacement keys quickly. Accordingly, your Committee has amended this measure by:

- (1) Providing a temporary exemption from the requirements of this bill for vehicle lines of a manufacturer that:
  - (A) Operates a telephone or electronic request line for replacement keys 24 hours a day and seven days a week; and
  - (B) Provides replacement keys or similar devices to registered owners at a reasonable cost and within one day of the request or via the next overnight delivery;
- (2) Specifying that family members of a registered owner requesting replacement key information from a manufacturer under this measure must be adults;
- (3) Adding a definition for the term "family member";
- (4) Clarifying that the requirements of this bill do not apply to a make of a motor vehicle that sold less than 100 vehicles in the state during the calendar year immediately prior to the time a request for a replacement key or other functionally similar device is made; and
- (5) 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. 1011, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1011, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

**SCRep. 1613 Judiciary on S.B. No. 1954**

The purpose of this bill is to require timely public disclosure by the Commission on Judicial Conduct of sanctions imposed on state court justices and judges by the Supreme Court.

The Office of the Public Defender submitted comments.

Your Committee has amended this measure by:

- (1) Limiting the requirement for public disclosure to cases of serious misconduct;
- (2) Changing the effective date to January 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1954, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1954, 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, Morita, Souki and Thielen.

**SCRep. 1614 Judiciary on S.B. No. 1957**

The purpose of this bill is to require public disclosure of the financial interests of members of certain boards and commissions to promote greater public transparency and accountability.

Your Committee received testimony in favor of this bill from the Hawaii State Ethics Commission and The League of Women Voters of Hawaii. The Board of Trustees of the Employees' Retirement System and the Hawaii Community Development Authority submitted testimony in opposition to this measure.

Your Committee has amended this measure by:

- (1) Adding the members of the Board of Regents of the University of Hawaii to the list of board and commission members who will be required to publicly disclose financial interests;
- (2) Changing its effective date to January 1, 2112, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1957, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1957, 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, Morita, Souki and Thielen.

**SCRep. 1615 Finance on S.B. No. 149**

The purpose of this bill is to:

- (1) Authorize the issuance of general obligation (GO) bonds; and
- (2) Determine whether the issuance of these GO bonds will cause the State's debt limit to be exceeded.

The Department of Budget and Finance 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 S.B. No. 149, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 149, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1616 Finance on S.B. No. 1370**

The purpose of this bill is to allow the Department of Budget and Finance (B&F) to assess fees incurred in connection with the issuance of special purpose revenue bonds.

B&F 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 S.B. No. 1370, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1370, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1617 Judiciary on S.B. No. 58**

The purpose of this bill is to exempt from the dentist licensing law, the ownership or management of a dental practice by the executor or administrator of a dentist's estate, or the legal guardian or authorized representative of a dentist, for the purposes of winding down, transferring, or selling the practice in cases where the dentist has died or is incapacitated.

The Board of Dental Examiners, Hawaii Dental Association, and a concerned individual supported this bill.

Your Committee finds that this bill resolves legal issues that have arisen as to how a dental practice is to be handled in the situation where a dentist dies unexpectedly or becomes incapacitated.

As affirmed by the record of votes of 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. 58, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki, Pine and Thielen.

**SCRep. 1618 Judiciary on S.B. No. 923**

The purpose of this bill is to assist condominium associations in collecting delinquent maintenance fees by making permanent the law that allows condominium associations to assess delinquent maintenance fees against a person who purchases a unit to which the fees are attached under a foreclosure proceeding. This bill removes the sunset and reenactment provisions relating to section 514B-146, Hawaii Revised Statutes.

The Real Estate Commission, Hawaii Council of Associations of Apartment Owners, and Hawaii Independent Condominium and Cooperative Owners testified in support of this bill. The Hawaii Bankers Association 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. 923 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki and Thielen.

**SCRep. 1619 Judiciary on S.B. No. 1444**

The purpose of this bill is to clarify that the purpose of the Hawaii Youth Correctional Facility is to provide services to, and custody, rehabilitation, and institutional care for youth committed to the facility by state courts, and to prepare these youth for reentry into their communities and families.

The Office of Youth Services, Community Alliance on Prisons, and American Civil Liberties Union of Hawaii testified in support of this bill. The Honolulu Prosecuting Attorney provided comments.

Your Committee finds that the amendments to the Hawaii Youth Correctional Facility law remove the terms "incarceration" and "punishment" and stress that the goal of the facility is to provide youth with rehabilitative and reentry services.

As affirmed by the record of votes of 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. 1444, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki and Thielen.

**SCRep. 1620            Judiciary on S.B. No. 1528**

The purpose of this bill is to make penalties to the Statewide Traffic Code consistent by amending its catch-all penalty provision to remove the reference to conviction since traffic infractions are civil not criminal and can therefore only result in a violation, not a conviction.

The Judiciary supported this bill.

Your Committee finds that the Legislature decriminalized many of the less serious traffic offenses in 1993; however, the catch-all penalty provision in the Code was not amended to remove inconsistent language. This bill would remedy that omission.

As affirmed by the record of votes of 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. 1528, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki and Thielen.

**SCRep. 1621            International Affairs on H.R. No. 250**

The purpose of this resolution is to support and encourage international education to ensure that students and future leaders are prepared to meet the challenges of a global society.

The University of Hawaii System, NAFSA Hawaii Pacific District, Hawaii Pacific University, and many concerned individuals testified in support of this resolution. The Department of Education supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 250 and recommends that it be referred to the Committees on Higher Education and Education.

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

**SCRep. 1622            International Affairs on H.C.R. No. 315**

The purpose of this concurrent resolution is to support and encourage international education to ensure that students and future leaders are prepared to meet the challenges of a global society.

The University of Hawaii System, NAFSA Hawaii Pacific District, Hawaii Pacific University, and many concerned individuals testified in support of this concurrent resolution. The Department of Education supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 315 and recommends that it be referred to the Committees on Higher Education and Education.

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

**SCRep. 1623            International Affairs on H.R. No. 173**

The purpose of this resolution is to request the Spark M. Matsunaga Institute for Peace, located within the Center for Policy Studies at the University of Hawaii at Manoa, to convene a working group to explore the possibility of designating Hawaii as the "Geneva of the Pacific."

The Department of Business, Economic Development, and Tourism and several concerned individuals testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 173 and recommends that it be referred to the Committee on Higher Education.

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

**SCRep. 1624            International Affairs on H.C.R. No. 215**

The purpose of this concurrent resolution is to request the Spark M. Matsunaga Institute for Peace, located within the Center for Policy Studies at the University of Hawaii at Manoa, to convene a working group to explore the possibility of designating Hawaii as the "Geneva of the Pacific."

The Department of Business, Economic Development, and Tourism and several concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 215 and recommends that it be referred to the Committee on Higher Education.

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

**SCRep. 1625            International Affairs on H.R. No. 231**

The purpose of this resolution is to support Hawaii's export economy and encourage foreign trade by urging the President of the United States to seriously consider entering into a free trade agreement with Taiwan.

The Chinese Chamber of Commerce of Hawaii and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 231 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Bertram, Takai and Awana.

**SCRep. 1626            International Affairs on H.C.R. No. 290**

The purpose of this concurrent resolution is to support Hawaii's export economy and encourage foreign trade by urging the President of the United States to seriously consider entering into a free trade agreement with Taiwan.

The Chinese Chamber of Commerce of Hawaii and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 290 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Bertram, Takai and Awana.

**SCRep. 1627 International Affairs on H.R. No. 247**

The purpose of this resolution is to promote timely reunification of families by urging the President of the United States and the United States Congress to establish a process by which visas for family members can be expedited.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 247 and recommends that it be referred to the Committee on Human Services & Housing.

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

**SCRep. 1628 International Affairs on H.C.R. No. 308**

The purpose of this concurrent resolution is to promote timely reunification of families by urging the President of the United States and the United States Congress to establish a process by which visas for family members can be expedited.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 308 and recommends that it be referred to the Committee on Human Services & Housing.

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

**SCRep. 1629 International Affairs on H.R. No. 105**

The purpose of this resolution is to request the State Administration to adopt guidelines on the ethical recruitment of nurses to implement the agreement between the State and provinces of the Philippines relating to the recruitment and relocation of nurses from the Philippines to Hawaii and future agreements with other countries relating to the recruitment and relocation of nurses to Hawaii.

The Representative of the 38<sup>th</sup> District and Hawaii State Center for Nursing testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 105 and recommends that it be referred to the Committee on Health.

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

**SCRep. 1630 International Affairs on H.C.R. No. 131**

The purpose of this concurrent resolution is to request the State Administration to adopt guidelines on the ethical recruitment of nurses to implement the agreement between the State and provinces of the Philippines relating to the recruitment and relocation of nurses from the Philippines to Hawaii and future agreements with other countries relating to the recruitment and relocation of nurses to Hawaii.

The Representative of the 38<sup>th</sup> District and Hawaii State Center for Nursing testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 131 and recommends that it be referred to the Committee on Health.

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

**SCRep. 1631 International Affairs on H.R. No. 246**

The purpose of this resolution is to strengthen and facilitate enhanced international diplomacy by easing visa requirements for foreign mediators involved in international dispute resolution.

Two concerned individuals testified in support. One concerned individual supported the resolution with amendments.

Your Committee has amended this resolution by:

- (1) Removing references to possible impediments to successful mediation, such as language barriers and cultural differences between parties;
- (2) Incorporating language to reference the potential benefits of entering into mediation, such as inexpensive, expedient, dispute resolution capabilities over the cost of implementing arbitration; and
- (3) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee further finds that the frequency of growth and trade between Asia Pacific and the United States may increase the need for instances of dispute resolution and provide encouragement and opportunity to resolve disputes within a 30 day period.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 246, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 246, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Shimabukuro and Tokioka.

**SCRep. 1632 International Affairs on H.C.R. No. 307**

The purpose of this concurrent resolution is to strengthen and facilitate enhanced international diplomacy by easing visa requirements for foreign mediators involved in international dispute resolution.

Two concerned individuals testified in support. One concerned individual supported the resolution with amendments.

Your Committee has amended this resolution by:

- (1) Removing references to possible impediments to successful mediation, such as language barriers and cultural differences between parties;

- (2) Incorporating language to reference the potential benefits of entering into mediation, such as inexpensive, expedient, dispute resolution capabilities over the cost of implementing arbitration; and
- (3) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee further finds that the frequency of growth and trade between Asia Pacific and the United States may increase the need for instances of dispute resolution and provide encouragement and opportunity to resolve disputes within a 30 day period.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 307, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 307, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Shimabukuro and Tokioka.

**SCRep. 1633 Agriculture on H.R. No. 86**

The purpose of this resolution is to promote and protect Kona coffee by:

- (1) Requesting the Department of Business, Economic Development, and Tourism (DBEDT) to report to the Legislature on Hawaii's coffee industry, including a thorough economic analysis of the probable impact on each segment of the coffee industry in the state of increasing the minimum Kona coffee content requirement to fifty per cent; and
- (2) Requesting the Department of the Attorney General (AG) to review existing laws and programs related to the enforcement of Kona coffee minimum content requirements and submit a report to the Legislature that includes ways to improve enforcement of Kona coffee laws.

Greenwell Farms, Hawaii Teamsters Local 996, Kona Coffee Council, Kona Mountain Coffee Company, and several concerned individuals supported this measure. Honolulu Brewing Company LLC, DFS Group, Ltd., Royale Island Coffee Hawaii, Tropical Taste Distribution, Hawaii Coffee Company, Inc., Hawaii Coffee Association, and a concerned individual supported this measure with amendments. DBEDT supported the intent of this measure. The Department of Agriculture supported the intent of this measure with amendments. Kona Coffee Farmers Association and numerous concerned individuals opposed this measure.

Your Committee is aware of the issues raised by DBEDT regarding the feasibility and cost implications of the economic analysis requested in this measure. Your Committee supports future legislative efforts to address these concerns.

In addition, your Committee recognizes the importance of enforcing laws regulating Kona coffee. AG is encouraged to explore and recommend ways to improve enforcement of these laws.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 86 and recommends that it be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1634 Agriculture on H.C.R. No. 109**

The purpose of this concurrent resolution is to promote and protect Kona coffee by:

- (1) Requesting the Department of Business, Economic Development, and Tourism (DBEDT) to report to the Legislature on Hawaii's coffee industry, including a thorough economic analysis of the probable impact on each segment of the coffee industry in the state of increasing the minimum Kona coffee content requirement to fifty per cent; and
- (2) Requesting the Department of the Attorney General (AG) to review existing laws and programs related to the enforcement of Kona coffee minimum content requirements and submit a report to the Legislature that includes ways to improve enforcement of Kona coffee laws.

Greenwell Farms, Hawaii Teamsters Local 996, Kona Coffee Council, Kona Mountain Coffee Company, and several concerned individuals supported this measure. Honolulu Brewing Company LLC, DFS Group, Ltd., Royale Island Coffee Hawaii, Tropical Taste Distribution, Hawaii Coffee Company, Inc., Hawaii Coffee Association, and a concerned individual supported this measure with amendments. DBEDT supported the intent of this measure. The Department of Agriculture supported the intent of this measure with amendments. Kona Coffee Farmers Association and numerous concerned individuals opposed this measure.

Your Committee is aware of the issues raised by DBEDT regarding the feasibility and cost implications of the economic analysis requested in this measure. Your Committee supports future legislative efforts to address these concerns.

In addition, your Committee recognizes the importance of enforcing laws regulating Kona coffee. AG is encouraged to explore and recommend ways to improve enforcement of these laws.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109 and recommends that it be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

**SCRep. 1635 Agriculture on H.C.R. No. 110**

The purpose of this concurrent resolution is to promote consistency in the quality of Hawaii-grown coffee by requesting the Department of Agriculture (DOA) to adopt uniform administrative rules to establish uniform inspection and certification requirements for all coffee beans, whether green or roasted, grown in Hawaii, including administrative rules to establish audit requirements for all coffee mills and roasters in Hawaii.

Hawaii Teamsters Local 996, Kona Coffee Council, Kona Mountain Coffee Company, Greenwell Farms, and a concerned individual supported this measure. The Royal Kona Visitor Center Mill & Museum, Pomare Ltd., Royale Island Coffee Hawaii, Hawaii Coffee Association, Hawaii Coffee Company, Inc., DFS Group, Ltd., Honolulu Brewing Company LLC, and several concerned individuals supported this measure with amendments. Smithfarms and numerous concerned individuals opposed this measure. DOA submitted comments.

Your Committee notes that concerns were raised regarding the provisions in this measure that request DOA to establish uniform inspection and certification requirements for all coffee beans grown in Hawaii, whether green or roasted. DOA indicated that once roasted, coffee beans lose all origin, grade, visual, and taste attributes and cannot be inspected and graded the way green coffee beans are inspected and graded.

In addition, your Committee finds that one of the most serious concerns affecting the coffee industry in Hawaii is the misleading advertising and marketing of inferior quality, non-Hawaii-grown coffee. Your Committee requests DOA to consider the issue of inferior blends of non-Hawaii-grown coffee and coffee-related products, and offer suggestions on how to best address this concern.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 110 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1636                    Agriculture on H.C.R. No. 111**

The purpose of this concurrent resolution is to protect consumers from misleading advertising and promote genuine, Hawaii-made coffee by requesting the Department of Agriculture (DOA) to study labeling requirements relating to the use of "Kona coffee" or other Hawaii-grown coffee names.

Greenwell Farms, Hawaii Teamsters Local 996, Kona Coffee Council, Kona Mountain Coffee Company, and several concerned individuals supported this measure. DOA supported the intent of this measure. Coffee Systems Hawaii, Hawaii Coffee Company, Inc., Honolulu Brewing Company LLC, Royal Kona Visitor Center Mill & Museum, Royale Island Coffee Hawaii, Hawaii Coffee Association, Pomare, Ltd., DFS Group, Ltd., and several concerned individuals supported this measure with amendments. A concerned individual opposed this measure. Several concerned individuals submitted comments.

Your Committee finds that the blending of Kona coffee is an art, not a science. Achieving the best possible blend requires skill and knowledge that comes from years of experience. Your Committee also notes that concerns were raised by DOA regarding the provision contained in this measure that requests DOA to develop ideas for a uniform national labeling standard for coffee roasters to abide by for the use of "Kona coffee" or other Hawaii-grown coffee names. Federal law already sets forth and specifies national requirements for coffee roasters for the use of these names. Your Committee finds that a national labeling standard may be used to address the problem of inconsistent or insufficient labeling requirements in other states.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 1637                    Consumer Protection & Commerce on H.R. No. 85**

The purpose of this resolution is to request the Auditor to perform a sunrise review to determine whether home inspectors should be licensed by a home inspector licensing board under the Department of Commerce and Consumer Affairs. Further, the Auditor is requested to submit to the Legislature a report of any findings and recommendations, including proposed legislation, not later than twenty days prior to the convening of the Regular Session of 2008.

The Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 85 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1638                    Consumer Protection & Commerce on H.C.R. No. 108**

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise review to determine whether home inspectors should be licensed by a home inspector licensing board under the Department of Commerce and Consumer Affairs. Further, the Auditor is requested to submit to the Legislature a report of any findings and recommendations, including proposed legislation, not later than twenty days prior to the convening of the Regular Session of 2008.

The Department of Commerce and Consumer Affairs and the Hawaii Association of Realtors testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1639                    Consumer Protection & Commerce on H.C.R. No. 46**

The purpose of this concurrent resolution is to request that the State Auditor conduct a sunrise review on the registration of providers of debt-management services as contemplated under H.B. 184, introduced during the Regular Session of 2007.

Further, if the Auditor determines that registration of debt management services providers is appropriate, the Auditor is also requested to recommend whether for-profit entities should be prohibited from providing debt-settlement services, or credit-counseling services, or both.

The Legal Aid Society of Hawaii (LASH) and the Commission to Promote Uniform Legislation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1640                    Human Services & Housing/Economic Development & Business Concerns on H.R. No. 80**

The purpose of this resolution is to request the City and County of Honolulu to provide a property tax reduction or tax credit for, or some other method of compensation or reimbursement to, real property taxpayers who pay for their own trash collection services.

The Hawaii Council of Associations of Apartment Owners supported the intent of this resolution. The City and County of Honolulu, Department of Budget and Fiscal Services opposed this measure.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 80 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Chang, Green, Hanohano, Herkes, Tsuji and Ching.

**SCRep. 1641 Human Services & Housing/Economic Development & Business Concerns on H.C.R. No. 102**

The purpose of this resolution is to request the City and County of Honolulu to provide a property tax reduction or tax credit for, or some other method of compensation or reimbursement to, real property taxpayers who pay for their own trash collection services.

The Hawaii Council of Associations of Apartment Owners supported the intent of this resolution. The City and County of Honolulu, Department of Budget and Fiscal Services opposed this measure.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 102 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Chang, Green, Hanohano, Herkes, Tsuji and Ching.

**SCRep. 1642 Health on H.C.R. No. 281**

The purpose of this concurrent resolution is to assist in the development of healthcare technology by requesting the Department of Health and the Department of Taxation to submit proposed legislation to assist the development and testing of a rapid electrochemical detection product with tax incentives to private companies for related work.

Eurus Genomics, Inc. and Antara BioSciences Inc. supported this measure. The Department of Health opposed this concurrent resolution. The Department of Taxation provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 281 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1643 Health on H.C.R. No. 284**

The purpose of this concurrent resolution is take steps to improve acute care patient safety by requesting the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage of the LG1 Intelligent Medical Vigilance System for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued after December 31, 2007.

The Hawaii Health Systems Corporation and Hoana Medical, Inc., supported this concurrent resolution.

Your Committee has amended this concurrent resolution by requesting the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage for an advanced vital sign monitoring device.

Your Committee finds that it is important to make available, technology that can save lives and assist our health care professionals in their duties. An advanced vital sign monitoring system would be an invaluable tool in Hawaii's hospitals. Currently there is one device that has the ability to provide the comprehensive monitoring necessary to provide a high level of patient safety, the LG1 Intelligent Medical Vigilance System. This device should be examined as the standard to which other devices should be held for such applications.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 284, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 284, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1644 Higher Education on H.R. No. 126**

The purpose of this resolution is to request acknowledgement and support for the Sustainable Saunders Project at the University of Hawaii – Manoa that seeks to develop Saunders Hall as a model for energy efficiency and sustainability.

The Energy Industries, Hawaii Energy Policy Forum, Help Us Bridge, and five concerned individuals submitted testimony in support of this resolution. Several concerned individuals submitted testimony opposing this measure.

Your Committee notes that the reference to "Chancellor Denise Conan" should instead read "Chancellor Denise Konan", and respectfully requests that the Committee on Energy and Environmental Protection make the associated amendment.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 126 and recommends that it be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1645 Higher Education on H.C.R. No. 159**

The purpose of this concurrent resolution is to request acknowledgement and support for the Sustainable Saunders Project at the University of Hawaii – Manoa that seeks to develop Saunders Hall as a model for energy efficiency and sustainability.

The Energy Industries, Hawaii Energy Policy Forum, Help Us Bridge, and five concerned individuals submitted testimony in support of this concurrent resolution. Several concerned individuals submitted testimony opposing this measure.

Your Committee notes that the reference to "Chancellor Denise Conan" should instead read "Chancellor Denise Konan", and respectfully requests that the Committee on Energy and Environmental Protection make the associated amendment.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 159 and recommends that it be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1646 Labor & Public Employment on H.C.R. No. 179**

The purpose of this measure is to request that the Auditor conduct an audit and an impact assessment report of the Hawaii Employers' Mutual Insurance Company (HEMIC), in order to determine whether HEMIC is fulfilling the statutory purposes for which it was created.



Aloha Habilitation Services, American Physical Therapy Association Hawaii Chapter, Filipino Chamber of Commerce of Hawaii, Hawaii State AFL-CIO, Home & Community Services of Hawaii, ILWU Local 142, Subcontractors Association of Hawaii, Vocational Management Consultants, Work Star Occupational Health, and several individuals testified in support of this measure. The Hawaii Employers' Mutual Insurance Company testified in opposition.

Your committee finds that as a legislatively created entity and as Hawaii's largest insurance carrier, HEMIC has a profound effect on the welfare of the public in terms of costs to employers, quality of service to injured employees, economic impact on the insurance market, and other such factors. Accordingly, your committee finds that HEMIC's activities and operations should be scrutinized in order to ensure that HEMIC is fulfilling its stated purposes as specified in HRS §431:14A-101. In order to ensure that the auditing process is efficient and fair, the Attorney General is respectfully requested to advise the committee on whether the Auditor is an appropriate body to conduct a comprehensive audit of HEMIC.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 179 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Evans, Luke, Takamine, Takumi and Meyer.

**SCRep. 1647                    Transportation on H.R. No. 218**

The purpose of this resolution is to promote safe transportation in the County of Maui by requesting the County of Maui to:

- (1) Provide for the immediate repair of Hui F Road; and
- (2) Inventory, in conjunction with the Maui community, Maui's "roads in limbo" to properly establish jurisdiction of all roads in the County of Maui.

The jurisdiction over a number of roads throughout Hawaii is in dispute. These roads are known as "roads in limbo." "Roads in limbo" are often left in disrepair since no government entity claims responsibility over them. Thus, people who use these roads on a daily basis suffer due to these roads not being maintained.

Hui F Road on Maui has been deemed a "road in limbo" that is in need of repair. Your Committee finds that repairing this road, as well as determining what other roads in Maui County are also "roads in limbo" will assist the State and county in solving jurisdictional issues over these roads and will allow for proper repair and maintenance.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 218 and recommends that it be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1648                    Transportation on H.C.R. No. 278**

The purpose of this concurrent resolution is to promote safe transportation in the County of Maui by requesting the County of Maui to:

- (1) Provide for the immediate repair of Hui F Road; and
- (2) Inventory, in conjunction with the Maui community, Maui's "roads in limbo" to properly establish jurisdiction of all roads in the County of Maui.

The jurisdiction over a number of roads throughout Hawaii is in dispute. These roads are known as "roads in limbo." "Roads in limbo" are often left in disrepair since no government entity claims responsibility over them. Thus, people who use these roads on a daily basis suffer due to these roads not being maintained.

Hui F Road on Maui has been deemed a "road in limbo" that is in need of repair. Your Committee finds that repairing this road, as well as determining what other roads in Maui County are also "roads in limbo" will assist the State and county in solving jurisdictional issues over these roads and will allow for proper repair and maintenance.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278 and recommends that it be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1649                    Transportation on H.R. No. 274**

The purpose of this resolution is to ensure the efficient and effective movement of cargo throughout Hawaii by requesting the Department of Transportation (DOT), in collaboration with the Department of Business, Economic Development, and Tourism, to conduct a study to evaluate plans by Young Brothers, Ltd., to discontinue its less-than-container-load inter-island cargo service.

DOT, the Agribusiness Development Corporation, The Hawaii Business League, and L & R Farms Ent LLC, testified in support of this measure. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Young Brothers, Limited testified in support of the intent of this measure.

Hawaii's harbors serve as a lifeline between the major Hawaiian islands. Young Brothers, Limited, provides a valuable service to many businesses in Hawaii by shipping goods between the islands. "Less-than-container-load" service allows smaller businesses to ship their goods between islands. The discontinuation of this type of service will have severe impacts on Hawaii's businesses, especially small businesses.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 274 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1650                    Transportation on H.C.R. No. 340**

The purpose of this concurrent resolution is to ensure the efficient and effective movement of cargo throughout Hawaii by requesting the Department of Transportation (DOT), in collaboration with the Department of Business, Economic Development, and Tourism, to conduct a study to evaluate plans by Young Brothers, Ltd., to discontinue its less-than-container-load inter-island cargo service.

DOT, the Agribusiness Development Corporation, The Hawaii Business League, and L & R Farms Ent LLC, testified in support of this measure. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Young Brothers, Limited, testified in support of the intent of this measure.

Hawaii's harbors serve as a lifeline between the major Hawaiian islands. Young Brothers, Limited, provides a valuable service to many businesses in Hawaii by shipping goods between the islands. "Less-than-container-load" service allows smaller businesses to ship their goods between islands. The discontinuation of this type of service will have severe impacts on Hawaii's businesses, especially small businesses.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 340 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1651 Finance on H.C.R. No. 242**

The purpose of this concurrent resolution is to improve traffic safety on Kappa Quarry Road by establishing a Kapaa Quarry Road Safety Task Force (Task Force) to conduct a study to develop and recommend traffic safety measures for Kapaa Quarry Road to alleviate dangerous road conditions and reduce hazardous driving practices.

The Department of Transportation (DOT) testified in support of the intent of this measure.

Over the years, a number of major accidents attributed to both road conditions and driver behavior have occurred along Kappa Quarry Road. The most recent accident involved the death of two young women and the injuring of five others. This loss of life is unacceptable and road conditions and driver behavior in the area need to be addressed.

However, your Committee finds that according to DOT, the Department of Transportation Services of the City and County of Honolulu (DTS) maintains the most jurisdiction over this roadway. Accordingly, your Committee has amended this measure by:

- (1) Establishing the Task Force under DTS in cooperation with DOT;
- (2) Including surrounding businesses, schools, and property owners determined by DTS, in cooperation with DOT, to be part of the Task Force, rather than DOT determining these members; and
- (3) Requiring that certified copies of this concurrent resolution be sent to surrounding businesses, schools, and property owners that are determined by DTS, in cooperation with DOT, to be members of the Task Force.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 242, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 242, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Takumi, Meyer and Pine.

**SCRep. 1652 Labor & Public Employment/Economic Development & Business Concerns on H.R. No. 41**

The purpose of this measure is to request that the Attorney General and the Insurance Commissioner conduct a study on whether state and county government contracts are being awarded to out-of-state contractors to the detriment of Hawaii local contractors.

The Hawaii Ironworkers Stabilization Fund, International Union of Painters and Allied Trades, and the Subcontractors Association of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs testified in opposition.

Your committee finds that local contractors have difficulty competing with out-of-state contractors due to various cost drivers in Hawaii that cause local contractor bids to be higher than those of out-of-state contractors. As such, your committee has amended this measure by expanding the scope of the requested study to include an examination of various factors that negatively impact the competitiveness of local contractors such as workers' compensation costs, general excise tax requirements, and unemployment insurance premiums. In addition, your committee finds that the Department of Accounting and General Services is a more appropriate body to conduct the study than the Insurance commissioner, and has amended this measure accordingly.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 41, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 41, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Chang, Evans, Herkes, Luke, Souki, Takamine, Takumi and Meyer.

**SCRep. 1653 Labor & Public Employment/Economic Development & Business Concerns on H.C.R. No. 61**

The purpose of this measure is to request that the Attorney General and the Insurance Commissioner conduct a study on whether state and county government contracts are being awarded to out-of-state contractors to the detriment of Hawaii local contractors.

The Hawaii Ironworkers Stabilization Fund, International Union of Painters and Allied Trades, and the Subcontractors Association of Hawaii testified in support of this measure. The Department of Commerce and Consumer Affairs testified in opposition.

Your committee finds that local contractors have difficulty competing with out-of-state contractors due to various cost drivers in Hawaii that cause local contractor bids to be higher than those of out-of-state contractors. As such, your committee has amended this measure by expanding the scope of the requested study to include an examination of various factors that negatively impact the competitiveness of local contractors such as workers' compensation costs, general excise tax requirements, and unemployment insurance premiums. In addition, your committee finds that the Department of Accounting and General Services is a more appropriate body to conduct the study than the Insurance commissioner, and has amended this measure accordingly.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 61, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 61, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Chang, Evans, Herkes, Luke, Souki, Takamine, Takumi and Meyer.

**SCRep. 1654 International Affairs on H.R. No. 232**

The purpose of this resolution is to promote health care around the world by requesting the World Health Organization to confer "Observer Status" upon Taiwan in order to permit Taiwan to participate in the World Health Organization's programs and activities.

Two concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 232 and recommends that it be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Belatti, Bertram, Takai and Awana.

**SCRep. 1655 International Affairs on H.C.R. No. 291**

The purpose of this concurrent resolution is to promote health care around the world by requesting the World Health Organization to confer "Observer Status" upon Taiwan in order to permit Taiwan to participate in the World Health Organization's programs and activities.

Two concerned individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 291 and recommends that it be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Belatti, Bertram, Takai and Awana.

**SCRep. 1656 International Affairs on H.R. No. 229**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Tourism Authority (HTA), and Hawaii Visitors and Convention Bureau to undertake activities to increase the number of visitors from Taiwan.

HTA and several concerned individuals testified in support of this resolution. DBEDT supported the intent of this measure.

Your Committee has amended this resolution by:

- (1) Requesting the U.S. Citizenship and Immigration Services (USCIS) and U.S. Department of Homeland Security to offer a visa waiver program to visitors from Taiwan;
- (2) Requesting DBEDT to find local products suitable for exportation to Taiwan;
- (3) Sending certified copies of this measure to the Secretary of Homeland Security and Director of USCIS; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 229, as amended herein, and recommends that it be referred to the Committee on Tourism & Culture in the form attached hereto as H.R. No. 229, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Takai and Awana.

**SCRep. 1657 International Affairs on H.C.R. No. 288**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Tourism Authority (HTA), and Hawaii Visitors and Convention Bureau to undertake activities to increase the number of visitors from Taiwan.

HTA and several concerned individuals testified in support of this concurrent resolution. DBEDT supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the U.S. Citizenship and Immigration Services (USCIS) and U.S. Department of Homeland Security to offer a visa waiver program to visitors from Taiwan;
- (2) Requesting DBEDT to find local products suitable for exportation to Taiwan;
- (3) Sending certified copies of this measure to the Secretary of Homeland Security and Director of USCIS; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 288, as amended herein, and recommends that it be referred to the Committee on Tourism & Culture in the form attached hereto as H.C.R. No. 288, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Takai and Awana.

**SCRep. 1658 Health on H.R. No. 224**

The purpose of this resolution is to take steps to improve acute care patient safety by requesting the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage of the LG1 Intelligent Medical Vigilance System for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued after December 31, 2007.

The Hawaii Health Systems Corporation and Hoana Medical, Inc., supported this resolution.

Your Committee has amended this resolution by requesting the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage for an advanced vital sign monitoring device.

Your Committee finds that it is important to make available, technology that can save lives and assist our health care professionals in their duties. An advanced vital sign monitoring system would be an invaluable tool in Hawaii's hospitals. Currently there is one device that has the ability to provide the comprehensive monitoring necessary to provide a high level of patient safety, the LG1 Intelligent Medical Vigilance System. This device should be examined as the standard to which other devices should be held for such applications.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 224, as amended herein, and recommends that it be referred to the Committee on Consumer Protection & Commerce in the form attached hereto as H.R. No. 224, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1659 Health on H.C.R. No. 14**

The purpose of this concurrent resolution is to ensure appropriate educational opportunities for Hawaii's children with developmental disabilities by urging the Department of Education (DOE) to study the educational implications of the special needs of preschool age children with developmental disabilities.

The Hawaii Down Syndrome Congress supported this concurrent resolution. The State Council on Developmental Disabilities supported the intent of this measure. DOE did not support this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 14 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1660 Health on H.C.R. No. 311**

The purpose of this concurrent resolution is to encourage healthier food choices for people to improve their health and well-being by requesting the Department of Health (DOH) to determine the feasibility of reducing or eliminating the use of trans fat in food preparation and food service by Hawaii's restaurant industry.

Several concerned individuals supported this concurrent resolution. DOH opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 311 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

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

**SCRep. 1661 Health/Education on H.R. No. 26**

The purpose of this resolution is to increase the supply of organs to meet the needs of recipients waiting for transplants today and in the future by urging the Department of Education and Department of Health to collaborate with the Organ Donor Center of Hawaii to increase awareness of the benefits of organ donation in the state of Hawaii.

The Organ Donor Center of Hawaii and Hawaii Living Donor Council supported this measure.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 26 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Nishimoto, Saiki, Tokioka, Wakai, Ching and Finnegan.

**SCRep. 1662 Health/Human Services & Housing on H.R. No. 68**

The purpose of this resolution is to ensure access to residents in Hawaii's adult residential care homes (ARCH) by their family by requesting the Department of Health (DOH) to evaluate the visiting hours practices of ARCHs.

Your Committees have amended this resolution by replacing the contents of this measure with language that requests DOH to provide cardiopulmonary resuscitation training to Hawaii's education professionals. Accordingly, the title of this resolution has been changed to read: "REQUESTING THE DEPARTMENT OF HEALTH TO PROVIDE CARDIOPULMONARY RESUSCITATION TRAINING TO ALL EDUCATION PROFESSIONALS IN THE STATE OF HAWAII."

Prior notice of the changes made to this resolution was provided to the public and testimony was received regarding its new topic.

Family Voices of Hawaii supported this resolution. The Department of Education submitted comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 68, as amended herein, and recommend that it be referred to the Committees on Education and Labor & Public Employment, in the form attached hereto as H.R. No. 68, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Tokioka.

**SCRep. 1663 Health/Human Services & Housing on H.C.R. No. 90**

The purpose of this concurrent resolution is to ensure access to residents in Hawaii's adult residential care homes (ARCH) by their family by requesting the Department of Health (DOH) to evaluate the visiting hours practices of ARCHs.

Your Committees have amended this concurrent resolution by replacing the contents of this measure with language that requests DOH to provide cardiopulmonary resuscitation training to Hawaii's education professionals. Accordingly, the title of this concurrent resolution has been changed to read: "REQUESTING THE DEPARTMENT OF HEALTH TO PROVIDE CARDIOPULMONARY RESUSCITATION TRAINING TO ALL EDUCATION PROFESSIONALS IN THE STATE OF HAWAII."

Prior notice of the changes made to this concurrent resolution was provided to the public and testimony was received regarding its new topic.

Family Voices of Hawaii supported this concurrent resolution. The Department of Education submitted comments.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 90, as amended herein, and recommend that it be referred to the Committees on Education and Labor & Public Employment, in the form attached hereto as H.C.R. No. 90, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Shimabukuro and Tokioka.

**SCRep. 1664 Education on H.R. No. 98**

The purpose of this concurrent resolution is to request that the Department of Education improve its delivery of services to special needs children and their families by reconsidering the rates paid to intensive instructional services consultants.

Testimony in support of the resolution was offered by Hawaii Centers for Independent Living; Member, District 6, Hawaii County Council; State Coordinator, Family Voices of Hawaii; Vice Principal at Honokaa High and Intermediate; Koolauloa Children's Community Council. The Department of Education opposed this resolution.

Your Committee has amended this measure by:

- (1) amending the request for the Department of Education to report its findings and recommendations to the Legislature and to members of the general public prior to July 1, 2007, to report its findings regarding the consequences of changing rates on special needs students and their families to the legislature not less than twenty days before the beginning of the legislative 2008 session; and
- (2) deleting the request for the Department of Education to review the discrepancies between the current rates paid to intensive instructional services consultants and the proposed rates that are scheduled to take effect on July 1, 2007; and
- (3) amending the request for the Department of Education to designate the area of Honoka'a on the island of Hawaii as "rural" to request the Department of Education to convene with the Department of Health to determine how the area of Honoka'a on the island of Hawaii and similar areas in the state can be designated as "rural"; and
- (4) deleting the request that the Department of Education engage behavioral health specialists, as well as parents of children in need of intensive instructional services consultants, in discussions using professional and unbiased facilitators to promote a positive exchange of information

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. 98, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 98, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Saiki, Takamine and Ching.

**SCRep. 1665 Education on H.C.R. No. 124**

The purpose of this concurrent resolution is to request that the Department of Education improve its delivery of services to special needs children and their families by reconsidering the rates paid to intensive instructional services consultants.

Testimony in support of the resolution was offered by Hawaii Centers for Independent Living; Member, District 6, Hawaii County Council; State Coordinator, Family Voices of Hawaii; Vice Principal at Honokaa High and Intermediate; Koolauloa Children's Community Council. The department of Education opposed this resolution.

Your Committee has amended this measure by:

- (1) amending the request for the Department of Education to report its findings and recommendations to the Legislature and to members of the general public prior to July 1, 2007, to report its findings regarding the consequences of changing rates on special needs students and their families to the legislature not less than twenty days before the beginning of the legislative 2008 session; and
- (2) deleting the request for the Department of Education to review the discrepancies between the current rates paid to intensive instructional services consultants and the proposed rates that are scheduled to take effect on July 1, 2007; and
- (3) amending the request for the Department of Education to designate the area of Honoka'a on the island of Hawaii as "rural" to request the Department of Education to convene with the Department of Health to determine how the area of Honoka'a on the island of Hawaii and similar areas in the state can be designated as "rural"; and
- (4) deleting the request that the Department of Education engage behavioral health specialists, as well as parents of children in need of intensive instructional services consultants, in discussions using professional and unbiased facilitators to promote a positive exchange of information.

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. 124, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 124, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Saiki, Takamine and Ching.

**SCRep. 1666 Human Services & Housing/Health on H.R. No. 140**

The purpose of this measure is to establish an elder abuse task force to study the:

- (1) Contributing factors of elder abuse;
- (2) Methods of prevention;
- (3) Care for elder abuse victims; and
- (4) Any other relevant matters relating to elder abuse.

Testimony in support of this measure was submitted by the Hawaii Disability Rights Center and the Hawaii Long Term Care Association. The Legislative Reference Bureau and the National Association of Social Workers submitted comments.

Your Committees find that elderly persons can face many types of abuse, including financial, mental, physical, and the threat of imminent abuse. Your Committees also find that, particularly in disputes involving a family member abusing an elderly relative, both private and public sector venues should be available to assist families and their elders.

Your Committees have amended this Resolution by:

- (1) Eliminating the task force and instead requesting that the study be conducted by the Legislature's Kupuna Caucus and changing the title of the committee report accordingly;
- (2) Requesting the Department of Human Services to provide support and information to the Kupuna Caucus for the study; and
- (3) Correcting the name of the Hawaii Disability Rights Center and adding the Hawaii Long Term Care Association as a stakeholder in discussions on elder abuse.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 140, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 140, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green, Takai and Awana.

**SCRep. 1667 Human Services & Housing/Health on H.C.R. No. 182**

The purpose of this measure is to establish an elder abuse task force to study the:

- (1) Contributing factors of elder abuse;
- (2) Methods of prevention;
- (3) Care for elder abuse victims; and
- (4) Any other relevant matters relating to elder abuse.

Testimony in support of this measure was submitted by the Hawaii Disability Rights Center and the Hawaii Long Term Care Association. The Legislative Reference Bureau and the National Association of Social Workers submitted comments.

Your Committees find that elderly persons can face many types of abuse, including financial, mental, physical, and the threat of imminent abuse. Your Committees also find that, particularly in disputes involving a family member abusing an elderly relative, both private and public sector venues should be available to assist families and their elders.

Your Committees have amended this Concurrent Resolution by:

- (1) Eliminating the task force and instead requesting that the study be conducted by the Legislature's Kupuna Caucus and changing the title of the committee report accordingly;
- (2) Requesting the Department of Human Services to provide support and information to the Kupuna Caucus for the study; and
- (3) Correcting the name of the Hawaii Disability Rights Center and adding the Hawaii Long Term Care Association as a stakeholder in discussions on elder abuse.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 182, as amended herein, and recommend that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 182, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green, Takai and Awana.

**SCRep. 1668 Agriculture on H.C.R. No. 170**

The purpose of this concurrent resolution is to improve the viability of Hawaii's livestock industry by requesting the Department of Agriculture (DOA) to establish a task force to discuss and develop long-term solutions to effectively protect the livestock industry.

DOA, University of Hawaii, Hawaii Farm Bureau Federation, Hawaii Teamsters Local 996, and the Hawaii Egg Producers Association supported this measure. Horizon Lines, LLC., supported this measure with amendments.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170 and recommends its adoption.

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

**SCRep. 1669 Agriculture on H.C.R. No. 231**

The purpose of this concurrent resolution is to request Hawaii's Congressional Delegation to introduce and support federal legislation regarding the inspection of plants and products from foreign countries, including the establishment of a federal and state invasive species action plan, to prevent invasive species from entering the state.

The Department of Agriculture, Department of Land and Natural Resources, The Nature Conservancy of Hawaii, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, and the Hawaii Forest Industry Association supported this measure.

According to testimony submitted during the public hearing, existing federal laws may not provide the state with adequate protection against invasive species. For example, the federal Plant Protection Act of 2000 specifically preempts states from being more restrictive than the federal government in regulating the movement of plants and plant products. In addition, federal laws prohibit Hawaii from preventing a plant pest of foreign origin from entering the state. Furthermore, the risk-based analysis used by the United States Department of Agriculture targets specific "actionable" pests of national concern, but fails to consider those which are of critical importance to Hawaii, and also does not address the broad spectrum of pests which may be hitchhiking on the commodity or packing material. Your Committee finds that amendments to existing federal law will help to improve efforts to protect Hawaii from invasive species.

In addition, federal assistance is needed to establish a state-of-the-art, joint-use inspection facility at Honolulu International Airport, to be used by both federal and state agencies for biosecurity efforts. A joint-use inspection facility is currently under construction at Kahului Airport with funding provided by the Federal Aviation Administration.

Your Committee has amended this measure by:

- (1) Specifying that a copy of the measure be transmitted to the Secretary of the United States Department of Agriculture; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee finds that because of its growing role and presence in combating the spread of invasive species, the Department of Homeland Security should also be made aware of the contents of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 231, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 231, H.D. 1.

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

**SCRep. 1670 Agriculture on H.C.R. No. 266**

The purpose of this concurrent resolution is to promote tree farms in Hawaii by requesting the Department of Agriculture (DOA) to collaborate with the United States Department of Agriculture to develop a tree crop insurance program for tree farms in Hawaii.

DOA and the Hawaii Forest Industry Association supported this measure.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 266, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 266, H.D. 1.

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

**SCRep. 1671 Human Services & Housing on H.R. No. 175**

The purpose of this resolution is to urge the President and the United States Congress to enact legislation to increase, for Social Security beneficiaries, the levels of provisional income, which include Social Security benefits, by an amount equal to the federal cost of living allowance granted to federal employees in Hawaii.

The Hawaii State Teachers Association and a concerned individual testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 175 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1672 Human Services & Housing on H.C.R. No. 217**

The purpose of this resolution is to urge the President and the United States Congress to enact legislation to increase, for Social Security beneficiaries, the levels of provisional income, which include Social Security benefits, by an amount equal to the federal cost of living allowance granted to federal employees in Hawaii.

The Hawaii State Teachers Association and a concerned individual testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 217 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1673 Health on H.R. No. 114**

The purpose of this concurrent resolution is to alleviate drug prices for Medicare beneficiaries by urging the United States Congress to support legislation authorizing the secretary of Health and Human Services to negotiate lower drug prices.

The Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, and AARP Hawaii supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 114 and recommends its adoption.

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

**SCRep. 1674 Health on H.C.R. No. 141**

The purpose of this concurrent resolution is to alleviate drug prices for Medicare beneficiaries by urging the United States Congress to support legislation authorizing the secretary of Health and Human Services to negotiate lower drug prices.

The Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, and AARP Hawaii supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141 and recommends its adoption.

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

**SCRep. 1675 Public Safety & Military Affairs on H.R. No. 148**

The purpose of this resolution is to reward Filipino veterans of World War II, who sacrificed so much in the service of the United States, by requesting the United States Congress and the United States President to enact Filipino family reunification, or similar legislation granting priority issuance of visas to Filipino veterans' children with approved immigration petitions.

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. 148 and recommends its adoption.

Signed by all members of the Committee except Representatives Lee, Luke, Nishimoto, Sonson, Takumi and Pine.

**SCRep. 1676 Public Safety & Military Affairs on H.C.R. No. 190**

The purpose of this concurrent resolution is to reward Filipino veterans of World War II, who sacrificed so much in the service of the United States, by requesting the United States Congress and the United States President to enact Filipino family reunification, or similar legislation granting priority issuance of visas to Filipino veterans' children with approved immigration petitions.

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. 190 and recommends its adoption.

Signed by all members of the Committee except Representatives Lee, Luke, Nishimoto, Sonson, Takumi and Pine.

**SCRep. 1677 Education on H.R. No. 236**

The purpose of this resolution is to request that the Department of Education (DOE) establish at least one civic standard at every grade level from K-12 that integrates service learning and expects students to engage, participate, and become actively involved in their communities.

Kids Voting Hawaii and the Hawaii Global Youth Center testified in support of this measure. The Department of Education supports the intent of the Resolution.

As noted in the Board of Education testimony, "the Hawaii Content and Performance Standards (HCPS) III will be in effect until SY 2008-09" and revisions to the HCPS III document will be effective session year 2009-10. The impending revisions offer the opportunity to amend the language of the existing standards, specifically in

political science/civics, to reflect recognition of the civic missions of schools and value of community-based education by integrating service learning pedagogy currently through grades K-12.

Your Committee has amended this measure by:

- 1) requesting the Board of Education, instead of the Department of Education, to establish the civic standards, and
- 2) amending the title to read:

"REQUESTING THE BOARD OF EDUCATION TO ESTABLISH AT LEAST ONE CIVIC STANDARD AT EVERY GRADE LEVEL FROM K-12 THAT INTEGRATES SERVICE LEARNING AND EXPECTS STUDENTS TO ENGAGE, PARTICIPATE, AND BECOME ACTIVELY INVOLVED IN THEIR COMMUNITIES,"

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. 236, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 236, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Saiki, Takamine and Ching.

**SCRep. 1678 Education on H.C.R. No. 296**

The purpose of this concurrent resolution is to request that the Department of Education (DOE) establish at least one civic standard at every grade level from K-12 that integrates service learning and expects students to engage, participate, and become actively involved in their communities.

Kids Voting Hawaii and the Hawaii Global Youth Center testified in support of this measure. The Department of Education supports the intent of the Resolution.

As noted in the Board of Education testimony, "the Hawaii Content and Performance Standards (HCPS) III will be in effect until SY 2008-09" and revisions to the HCPS III document will be effective session year 2009-10. The impending revisions offer the opportunity to amend the language of the existing standards, specifically in political science/civics, to reflect recognition of the civic missions of schools and value of community-based education by integrating service learning pedagogy currently through grades K-12.

Your Committee has amended this measure by:

- (1) requesting the Board of Education, instead of the Department of Education, to establish the civic standards, and
- (2) amending the title to read:

"REQUESTING THE BOARD OF EDUCATION TO ESTABLISH AT LEAST ONE CIVIC STANDARD AT EVERY GRADE LEVEL FROM K-12 THAT INTERNATIONAL AFFAIRS INTEGRATES SERVICE LEARNING AND EXPECTS STUDENTS TO ENGAGE, PARTICIPATE, AND BECOME ACTIVELY INVOLVED IN THEIR COMMUNITIES,"

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. 296, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 296, H.D. 1.

Signed by all members of the Committee except Representatives Chang, Saiki, Takamine and Ching.

**SCRep. 1679 Education/Health on H.C.R. No. 106**

The purpose of this concurrent resolution is to request that the Department of Health report on the short- and long-term costs of not conducting the systematic hearing and vision program.

This measure also requires the Department of Education and Department of Health to develop an action plan to disseminate information to public school students and their families on access to comprehensive vision and hearing examinations.

The Department of Health offered recommendations and the Hawaii State Teacher's Association, the American Academy of Pediatrics, the Hawaii Optometric Association, the Center on Disability Studies, the Eye Care Associates of Hawaii, and Family Voices of Hawaii testified in support of this measure. The Department of Education deferred to the recommendations of the Department of Health.

Your Committees have amended this measure by:

- (1) deleting the request for the Department of Health to report on short- and long-term costs of not conducting the systematic hearing and vision program; and
- (2) amending the title to read:

"REQUESTING THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HEALTH TO DEVELOP AN ACTION PLAN TO DISSEMINATE INFORMATION TO PUBLIC SCHOOL STUDENTS AND THEIR FAMILIES ON ACCESS TO COMPREHENSIVE VISION AND HEARING EXAMINATIONS."

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 106, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 106, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Chang, Saiki, Takamine and Ward.

**SCRep. 1680 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 1236**

The purpose of this bill is to protect and preserve Hawaii's agriculture industry by requiring the Land Use Commission (LUC) to include the Hawaii Right to Farm Act under Chapter 165, Hawaii Revised Statutes (HRS), as a condition to any reclassification of land contiguous to an agricultural district to an urban or rural district designation.

The Hawaii Agriculture Research Center and Hawaii Crop Improvement Association testified in support of this bill. The Hawaii Farm Bureau Federation and Hawaii's Thousand Friends supported the intent of this measure. The Department of Agriculture supported this bill with amendments. The Office of Planning, Department of Planning and Permitting of the City and County of Honolulu, and several concerned individuals provided comments.



While preventing adjacent urbanization from infringing on farming operations may be one way to protect agricultural lands, your Committees find that the comprehensive strategy set forth in H.B. No. 257, H.D. 1 will be more effective in complying with the mandate of Article XI, Section 3, of the state constitution that requires the State to "conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands."

Accordingly, your Committees have amended this bill by deleting its contents and inserting in its place the substance of H.B. No. 257, H.D. 1. that:

- (1) Requires counties to:
  - (a) When approving the subdivision of lands in the agricultural land use district, restrict its use to agribusiness or subsistence farming and requiring those restrictions to be recorded in the Bureau of Conveyances or Land Court; and
  - (b) Prior to issuing a building permit for a farm dwelling, require the applicant to submit a farm plan and have substantially established agricultural activity on the lot;
  - (c) When approving a petition for a land use district boundary amendment, find that the boundary amendment is:
    - (i) Reasonable;
    - (ii) Not violative of the standards for land use districts;
    - (iii) Consistent with policies and criteria established by the Hawaii State Plan and the LUC; and
    - (iv) Consistent with county requirements;
- (2) Clarifies that single-family dwellings in agricultural subdivisions without significant agribusiness, agricultural activity, or subsistence farming, and guest cottages are prohibited in agricultural districts;
- (3) Discontinues the use of Land Study Bureau soil classifications to determine uses in agricultural districts;
- (4) Repeals the county's authorization to further define accessory agricultural uses and services by zoning ordinance as they relate to the agricultural land use district standards and permissible uses within the agricultural district;
- (5) Qualifies the authorization of the counties to issue special permits in agricultural and rural districts for certain "unusual and reasonable uses" by providing that the permitted use cannot be violative of land use district standards or permissible uses in the applicable district;
- (6) Clarifies that agricultural district lands may be subdivided and leased for permitted uses; provided that the principal use is for agricultural activities or agribusiness;
- (7) Provides that county special permits for rural district lands greater than 15 acres and agricultural district lands are subject to the approval of the LUC;
- (8) Extends the prohibition on the use of agricultural district lands for golf courses and golf driving ranges to golf-related facilities, private membership facilities, or other resort facilities, including hotels and resort-related commercial uses, time shares, and commercial vacation homes;
- (9) Clarifies that certain permitted uses in the agricultural districts, including farm dwellings, shall be in pursuit of an agricultural activity, agribusiness, or subsistence farming;
- (10) Clarifies that the prohibition on subdividing land in agricultural districts for the development and sale of residential homes is a condition that applies to all agricultural subdivisions;
- (11) Requires that county ordinances for procedures and requirements for agricultural tourism in agricultural districts be adopted within 18 months of the effective date of this bill; and
- (12) Increases minimum lot sizes in agricultural districts from one to five acres.

Your Committees have further amended this bill by:

- (1) Providing the county approvals of subdivisions and farm dwellings will remain valid in the event the land use district classification of the affected land is reclassified; provided that the uses permitted under the approval are permissible uses under the new land use district classification; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1236, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1236, 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, Herkes, Morita, Tsuji, Wakai, Meyer and Thielen.

**SCRep. 1681 Public Safety & Military Affairs on S.B. No. 618**

The purpose of this bill is to recognize the sacrifices veterans have made for our country by directing the Department of Education (DOE) to establish a program to grant high school diplomas to veterans of the armed services who could not complete their high school education due to compulsory service in the armed services of the United States during World War II, the Korean conflict, or the Vietnam War, as well as those who did not complete high school because of wartime practices.

DOE, the Office of Veterans Services, and Advisory Board on Veterans Services supported this bill.

Your Committee has amended this bill by:

- (1) Changing references to a "graduate equivalency diploma" to an "honorary diploma"; 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 618, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 618, H.D. 1.

Signed by all members of the Committee except Representatives Lee, Luke, Nishimoto, Sonson, Takumi and Pine.

**SCRep. 1682 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 987**

The purpose of this bill is to facilitate the development of renewable energy projects and reduce the State's dependency on imported fossil fuels by:

- (1) Amending the definition of "renewable energy producer", for purposes of eligibility to obtain leases of public lands by negotiation and without public auction, to include producers of thermal energy from cold seawater that sell their thermal energy to customers of district cooling systems;
- (2) Allowing each county 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; and
- (3) Requiring all state and county agencies to provide priority handling and processing of permits required for renewable energy projects, and making this a state policy in the Hawaii State Plan.

The Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Honolulu Seawater Air Conditioning, LLC, and Hawaii Science and Technology Council testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported this bill in part.

Your Committee finds that this bill need not be amended to include provisions for improvements, appurtenances, and facilities located within the easement area, as the easements used for the distribution systems for thermal energy air conditioning systems will be shared with other utilities, and the users can work together to work out a mutually agreeable disposition.

Accordingly, your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 987, 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. 987, S.D. 1, H.D. 2.

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

**SCRep. 1683 Judiciary on S.B. No. 1161**

The purpose of this bill is to provide basic due process in Family Court protective order proceedings alleging domestic abuse by requiring that the Department of Human Services (DHS) report of the matter be provided to the parties at least two days before the hearing, if possible.

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

Your Committee finds that this bill involves cases where a temporary restraining order has been issued based on allegations of domestic abuse involving a minor or incapacitated person. The bill requires that the DHS report be distributed to the parties two days before the hearing on the matter.

Your Committee has amended this bill by:

- (1) Clarifying that the report must be provided to both the petitioner and the respondent in the case; and
- (2) Changing the effective date to July 1, 2112, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1161, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki, Pine and Thielen.

**SCRep. 1684 Judiciary on S.B. No. 1654**

The purpose of this bill is to provide a less-expensive, quicker means of resolving condominium disputes by reinstating the Condominium Dispute Resolution Pilot Project in Chapter 514A, Hawaii Revised Statutes (HRS).

The Department of Commerce and Consumer Affairs, Hawaii Council of Associations of Apartment Owners, and Hawaii Independent Condominium Cooperative Owners supported this bill.

Your Committee finds that the recodified condominium law in Chapter 514B, HRS, provides for the mediation of disputes. In 2006, the same year that the condominium law became effective, Act 277 established, in Chapter 514B, a pilot administrative hearing dispute resolution program as a follow-up to any unsuccessful mediation under that chapter.

Your Committee finds that there is some confusion as to the applicability of Chapter 514B to condominiums existing before July 1, 2006. However, section 514B-22, HRS, expressly applies the condominium management provisions of part VI of Chapter 514B, including its mediation procedure, to these existing condominiums.

Accordingly, your Committee has made technical, nonsubstantive amendments to this bill by, among other things:

- (1) Removing references to Chapter 514A, the old condominium law, and also mediation provisions that would have duplicated those in Chapter 514B; and
- (2) Clarifying that the existing pilot administrative hearing dispute resolution program in Act 277 does apply to condominiums created before July 1, 2006.

As affirmed by the record of votes of 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. 1654, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1654, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki and Thielen.

**SCRep. 1685            Judiciary on S.B. No. 1709**

The purpose of this bill is to exempt three-wheeled mopeds designed to carry a driver and passenger seated side-by-side from certain prohibitions on the operation of mopeds.

Your Committee received testimony in support of the measure from the Department of Transportation and Shamrock Importers, LLC.

Your Committee has amended this bill by:

- (1) Deleting the requirement that the operation of three-wheeled mopeds be restricted to the right side of the roadway;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion of this measure; and
- (3) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1709, 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. 1709, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki and Thielen.

**SCRep. 1686            Judiciary on S.B. No. 1529**

The purpose of this bill is to clarify and expedite the processing of traffic infractions by, among other things:

- (1) Clearly establishing that the District Court may adjudicate civil traffic infractions charged against minors;
- (2) Clarifying that confidentiality protections afforded to minors are inapplicable to civil traffic infraction proceedings;
- (3) Consistently applying the civil standard of proof for civil traffic infraction trials;
- (4) Allowing District Courts discretionary scheduling of concurrent proceedings to address difficulties faced in complying with present concurrent scheduling requirements;
- (5) Clarifying the protections afforded to a defendant against self-incrimination;
- (6) Promoting consistency in the manner of processing and adjudicating moving and non-moving civil traffic infractions;
- (7) Permitting the use of electronic citations; and
- (8) Requiring that the person who is the lessee of the vehicle at the time of the issuance of a traffic infraction shall be responsible for the summons or citation if the registered owner of record is the lessor of a rental or U-drive motor vehicle.

Your Committee received testimony in support of the measure from the Judiciary and Catrala-Hawaii.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112, 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 S.B. No. 1529, 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. 1529, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Luke, Sonson, Souki and Thielen.

**SCRep. 1687            Legislative Management on H.C.R. No. 78**

The purpose of this concurrent resolution is to help families begin saving for their child's future by establishing a legislative interim task force to study the concept of universal children's savings accounts.

The Hawaii Alliance for Community-Based Economic Development testified in support of this measure.

Universal children's savings accounts are restricted, start-in-life asset accounts that can grow tax-free and could be used for education, homeownership, or starting a business.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 78 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1688            Health/Human Services & Housing on H.R. No. 94**

The purpose of this resolution is to request that the Department of Health (DOH) convene a task force to investigate methods of creating a centralized plan for the provision of medical and social services to people who have migrated to Hawaii from the Freely Associated States of Micronesia, the Marshall Islands, and the Republic of Palau.

The Micronesian Community Network, Nations of Micronesia Committee, Institute for Human Services Emergency Homeless Shelter, and a concerned individual supported this resolution. DOH supported this measure with amendments. The Department of Education supported the intent of this resolution. The Department of Human Services and the President of the East-West Center submitted comments.

Your Committees have amended this resolution by:

- (1) Adding a member from each of the Micronesian Community Network and Nations of Micronesia Committee to the task force formed by DOH;
- (2) Requesting that the task force research the adequacy of the cost reimbursement formula used by the recently renegotiated Compact of Free Association;
- (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 & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 94, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 94, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1689 Health on H.C.R. No. 257**

The purpose of this concurrent resolution is to ensure the responsible use and preservation of Kalaupapa when it is no longer required for the care and treatment for persons afflicted with Hansen's disease by requesting the Department of Hawaiian Home Lands (DHHL) to develop a long-range, comprehensive plan for the future of Kalaupapa.

DHHL submitted comments on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 257 and recommends that it be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1690 Agriculture on H.C.R. No. 221**

The purpose of this concurrent resolution is to encourage the development of diversified agriculture in Hawaii by requesting the Legislative Reference Bureau (LRB) to study the feasibility of constructing a multi-purpose, agricultural products processing facility or facilities.

The Hawaii Farm Bureau Federation supported this measure. The Department of Agriculture supported the intent of this measure. LRB submitted comments.

Your Committee has amended this measure by:

- (1) Changing its title to read as follows:  
"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FEASIBILITY OF CONSTRUCTING A MULTIPLE PURPOSE, MULTIPLE USER AGRICULTURE/CULTURAL PRODUCTS PROCESSING FACILITY OR FACILITIES;"
- (2) Clarifying that LRB is requested to consider in its study the feasibility of utilizing a large, multiple purpose processing facility or facilities serving multiple users;
- (3) Requesting LRB to consider consulting with the National Council of State Legislatures (NSCL) as to whether it is aware of other states undergoing a similar experience with respect to the demise of plantation agriculture;
- (4) Requesting LRB to report its findings and recommendations no later than 45 days prior to the Regular Session of 2008;
- (5) Specifying that a copy of this measure be transmitted to NCSL; 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 221, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 221, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Herkes, Yamane, Ching and Meyer.

**SCRep. 1691 Agriculture on H.R. No. 179**

The purpose of this resolution is to encourage the development of diversified agriculture in Hawaii by requesting the Legislative Reference Bureau (LRB) to study the feasibility of constructing a multi-purpose, agricultural products processing facility or facilities.

The Hawaii Farm Bureau Federation supported this measure. The Department of Agriculture supported the intent of this measure. LRB submitted comments.

Your Committee has amended this measure by:

- (1) Changing its title to read as follows:  
"REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FEASIBILITY OF CONSTRUCTING A MULTIPLE PURPOSE, MULTIPLE USER AGRICULTURAL PRODUCTS PROCESSING FACILITY OR FACILITIES;"
- (2) Clarifying that LRB is requested to consider in its study the feasibility of utilizing a large, multiple purpose processing facility or facilities serving multiple users;
- (3) Requesting LRB to consider consulting with the National Council of State Legislatures (NSCL) as to whether it is aware of other states undergoing a similar experience with respect to the demise of plantation agriculture;
- (4) Requesting LRB to report its findings and recommendations no later than 45 days prior to the Regular Session of 2008;
- (5) Specifying that a copy of this measure be transmitted to NCSL; 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 179, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 179, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Herkes, Yamane, Ching and Meyer.

**SCRep. 1692 Health on H.C.R. No. 10**

The purpose of this Concurrent Resolution is to strongly urge the Mayor and the County Council of Maui to implement various measures regarding medical marijuana.

Specifically, this measure urges the Mayor and the County Council of Maui to:

- (1) Develop a Maui County Family Farmer Medical Marijuana Regulation and Revenue Program to tax and regulate the sale of marijuana for adult use;
- (2) Under the program:
  - (A) License qualified family farmers in designated agricultural zones to produce marijuana and allow each licensed family farmer to produce marijuana for up to two hundred qualifying patients;
  - (B) Create an allotment system allowing agriculturally zoned family farmers on the island of Maui to supply the medical marijuana needs of Maui by requiring five-year organic farm plans based on at least two organic crops, the first of which shall be marijuana and the second of which shall be an organic vegetables crop; and
  - (C) Create a community oversight committee to oversee the implementation of the program;
- (3) Direct the Maui County Police Department to make investigation, citation, and arrest for private adult medical marijuana offenses the lowest law enforcement priority; and
- (4) Advocate for legislative change to further legalize medical use of marijuana at the state and the federal levels.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawaii, the Drug Policy Action Group, the NORML Foundation, and forty-five individuals, including users of medical marijuana. The Department of Public Safety testified in opposition. A member of the Maui County Council offered comments.

Your Committee finds that despite a United States Supreme Court decision that effectively bans the possession and use of marijuana for any purposes, including medical use, the reality remains that many patients in the State, particularly on the island of Maui, rely on the use of marijuana to alleviate their pain and suffering that cannot be addressed in any other way.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 10 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro. (Representatives Rhoads, Takai, Tokioka and Ward voted no.)

**SCRep. 1693 Consumer Protection & Commerce/Legislative Management on H.C.R. No. 77**

The purpose of this concurrent resolution is to request the Auditor to conduct a study on predatory mortgage lending in Hawaii.

The Department of Commerce and Consumer Affairs, Legal Aid Society of Hawaii, Hawaii Alliance for Community-Based Economic Development, Hawaii Association of REALTORS, and a concerned individual testified in support of this measure. The Hawaii Association of Mortgage Brokers, Hawaii Bankers Association, and Hawaii Financial Services Association opposed this measure. The Mortgage Bankers Association of Hawaii submitted comments.

Your Committees note that predatory lending has more to do with bad lending practices rather than bad mortgage loan products. In many situations, the mortgage products are beneficial to the consumer when applied to the right circumstances. On the other hand, providing these same products inappropriately would be considered predatory lending.

Accordingly, your Committees have amended this measure by:

- (1) Adding discussion emphasizing that predatory lending is caused by the inappropriate use of mortgage loan products, rather than the products themselves; and
- (2) Specifying that the Auditor's study should address the acts and practices of mortgage brokers.

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

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 77, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 77, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Morita, Sonson and Finnegan.

**SCRep. 1694 Consumer Protection & Commerce/Legislative Management on H.R. No. 198**

The purpose of this resolution is to request the Attorney General and the Identity Theft Task Force to identify ways in which the process of notarizing documents can be improved to reduce identity theft, by requiring the notary's seal to be placed over the succinct phrase identifying the nature of the document and the underlying transaction.

Various individuals testified in support of this measure.

Your committee on Consumer Protection and Commerce and Legislative Management also respectfully requests that the Judiciary Committee in its review of this measure consider limiting the intent to the transfers of real property and instances susceptible to identity theft.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 198 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Morita, Sonson and Finnegan.

**SCRep. 1695 Consumer Protection & Commerce/Legislative Management on H.C.R. No. 247**

The purpose of this concurrent resolution is to request the Attorney General and the Identity Theft Task Force to identify ways in which the process of notarizing documents can be improved to reduce identity theft, by requiring the notary's seal to be placed over the succinct phrase identifying the nature of the document and the underlying transaction.

Various individuals testified in support of this measure.

Your committee on Consumer Protection and Commerce and Legislative Management also respectfully requests that the Judiciary Committee in its review of this measure consider limiting the intent to the transfers of real property and instances susceptible to identity theft.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 247 and recommend that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Morita, Sonson and Finnegan.

**SCRep. 1696 Consumer Protection & Commerce/Economic Development & Business Concerns on H.R. No. 133**

The purpose of this resolution is to request the Department of Taxation (DoTax) to study whether leases between related entities in the car rental industry should be exempt from Hawaii's general excise tax (GET) under section 237-23.5, Hawaii Revised Statutes (HRS), which provides a GET exemption for certain transactions between related entities.

The Hertz Corporation testified in support of this measure. DoTax, National Car Rental, Alamo Car Rental, Dollar Rent a Car, and Thrifty Car Rental submitted comments.

Some rental car companies finance their vehicles through a special purpose financing entity owned by the company, that issues debt instruments secured by the rental vehicles. The vehicles are then leased to a car rental agency, owned by the same company, that rents the vehicles to consumers. These lease transactions between related car rental entities are currently subject to the GET, in addition to the lease transactions between the car rental agency and consumers, even though the car rental agency and special purpose financing entity are owned by the same company.

While this measure seeks to address this issue by requesting DoTax to study whether leases between related car rental entities should be subject to the GET, concerns have been raised as to whether DoTax would be the appropriate agency to determine whether the GET exemption under section 237-23.5, HRS, applies to leases between related car rental entities.

Accordingly, your Committees have amended this measure by:

- (1) Amending the title to read: "REQUESTING THE DEPARTMENT OF THE ATTORNEY GENERAL TO DETERMINE WHETHER LEASES BETWEEN RELATED CAR RENTAL ENTITIES ARE EXEMPT FROM THE GENERAL EXCISE TAX AND IF SO, REQUESTING DOTAX TO APPLY THE EXEMPTION";
- (2) Substituting the Department of the Attorney General for DoTax as the agency requested to conduct the study; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 133, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 133, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Brower, Green, Ito, Luke, Manahan, Morita, Sonson and Ching.

**SCRep. 1697 Consumer Protection & Commerce/Economic Development & Business Concerns on H.C.R. No. 168**

The purpose of this concurrent resolution is to request the Department of Taxation (DoTax) to study whether leases between related entities in the car rental industry should be exempt from Hawaii's general excise tax (GET) under section 237-23.5, Hawaii Revised Statutes (HRS), which provides a GET exemption for certain transactions between related entities.

The Hertz Corporation testified in support of this measure. DoTax, National Car Rental, Alamo Car Rental, Dollar Rent a Car, and Thrifty Car Rental submitted comments.

Some rental car companies finance their vehicles through a special purpose financing entity owned by the company, that issues debt instruments secured by the rental vehicles. The vehicles are then leased to a car rental agency, owned by the same company, that rents the vehicles to consumers. These lease transactions between related car rental entities are currently subject to the GET, in addition to the lease transactions between the car rental agency and consumers, even though the car rental agency and special purpose financing entity are owned by the same company.

While this measure seeks to address this issue by requesting DoTax to study whether leases between related car rental entities should be subject to the GET, concerns have been raised as to whether DoTax would be the appropriate agency to determine whether the GET exemption under section 237-23.5, HRS, applies to leases between related car rental entities.

Accordingly, your Committees have amended this measure by:

- (1) Amending the title to read: "REQUESTING THE DEPARTMENT OF THE ATTORNEY GENERAL TO DETERMINE WHETHER LEASES BETWEEN RELATED CAR RENTAL ENTITIES ARE EXEMPT FROM THE GENERAL EXCISE TAX AND IF SO, REQUESTING DOTAX TO APPLY THE EXEMPTION";
- (2) Substituting the Department of the Attorney General for DoTax as the agency requested to conduct the study; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 168, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 168, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Brower, Green, Ito, Luke, Manahan, Morita, Sonson and Ching.

**SCRep. 1698 Consumer Protection & Commerce on H.R. No. 211**

The purpose of this resolution is to request that the Legislative Reference Bureau (LRB) study the legality, effectiveness, and appropriateness of the imposition of the procurement process on public education and government cable television stations (PEG access stations).

Further, that LRB consider the feasibility and potential effectiveness of enacting and implementing alternative regulatory frameworks for PEG access in Hawaii.

Testimony in support of the measure was submitted by the CEO of Akaku Community Television, the Chairman of the Board for Akaku Maui County Community Television, an Akaku Board Member, the President and CEO of 'Ōlelo Community Television, the Secretary of the Community Media Producers Association, and various individuals.

The Comptroller of the Department of Accounting and General Services and the Acting Director of the Legislative Reference Bureau submitted testimony in opposition to this resolution.

Your Committee on Consumer Protection and Commerce also respectfully requests that the Legislative Management Committee in its review of this measure carefully consider whether the procurement process is applicable to PEG television stations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 211 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1699 Consumer Protection & Commerce on H.C.R. No. 264**

The purpose of this concurrent resolution is to request that the Legislative Reference Bureau (LRB) study the legality, effectiveness, and appropriateness of the imposition of the procurement process on public education and government cable television stations (PEG access stations).

Further, that LRB consider the feasibility and potential effectiveness of enacting and implementing alternative regulatory frameworks for PEG access in Hawaii.

Testimony in support of the measure was submitted by the CEO of Akaku Community Television, the Chairman of the Board for Akaku Maui County Community Television, an Akaku Board Member, the President and CEO of 'Ōlelo Community Television, the Secretary of the Community Media Producers Association, and various individuals.

The Comptroller of the Department of Accounting and General Services and the Acting Director of the Legislative Reference Bureau submitted testimony in opposition to this concurrent resolution.

Your Committee on Consumer Protection and Commerce also respectfully requests that the Legislative Management Committee in its review of this measure carefully consider whether the procurement process is applicable to PEG television stations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 264 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1700 Consumer Protection & Commerce on H.R. No. 14**

The purpose of this resolution is to request the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board) to promote awareness of family caregiving needs in the design of new residences.

The University of Hawaii and AARP Hawaii testified in support of this measure. The Board submitted comments.

In its testimony to your Committee, the Board noted that it lacks the resources to engage in any form of promotional activities and that it may be more appropriate for design professional associations to fulfill the request of this measure.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title to read: "REQUESTING THE HAWAII STATE COUNCIL OF THE AMERICAN INSTITUTE OF ARCHITECTS TO PROMOTE AWARENESS OF FAMILY CAREGIVING NEEDS IN THE DESIGN OF NEW RESIDENCES";
- (2) Substituting the Board with the Hawaii State Council of the American Institute of Architects as the entity requested to promote awareness of family caregiving needs in the design of new residences; and
- (3) 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 concurs with the intent and purpose of H.R. No. 14, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 14, H.D. 1.

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

**SCRep. 1701 Consumer Protection & Commerce on H.C.R. No. 26**

The purpose of this concurrent resolution is to request the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board) to promote awareness of family caregiving needs in the design of new residences.

The University of Hawaii and AARP Hawaii testified in support of this measure. The Board submitted comments.

In its testimony to your Committee, the Board noted that it lacks the resources to engage in any form of promotional activities and that it may be more appropriate for design professional associations to fulfill the request of this measure.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title to read: "REQUESTING THE HAWAII STATE COUNCIL OF THE AMERICAN INSTITUTE OF ARCHITECTS TO PROMOTE AWARENESS OF FAMILY CAREGIVING NEEDS IN THE DESIGN OF NEW RESIDENCES";
- (2) Substituting the Board with the Hawaii State Council of the American Institute of Architects as the entity requested to promote awareness of family caregiving needs in the design of new residences; and
- (3) 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 concurs with the intent and purpose of H.C.R. No. 26, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.C.R. No. 26, H.D. 1.

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

**SCRep. 1702 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 38**

The purpose of this resolution is to request the Department of Accounting and General Services (DAGS) to undertake planning activities with respect to a new stadium on Oahu.

The U.S. Representative of the First Congressional District of Hawaii and Pacific Resource Partnership provided comments. DAGS opposed this measure.

Your Committee respectfully requests that the Committee on Finance determine the appropriate minimum seating capacity of the new stadium to be planned.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 38 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1703 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 57**

The purpose of this concurrent resolution is to request the Department of Accounting and General Services (DAGS) to undertake planning activities with respect to a new stadium on Oahu.

The U.S. Representative of the First Congressional District of Hawaii and Pacific Resource Partnership provided comments. DAGS opposed this measure.

Your Committee respectfully requests that the Committee on Finance determine the appropriate minimum seating capacity of the new stadium to be planned.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1704 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 181**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to determine which boating violations require the time and resources of the district court for adjudication.

DLNR testified that this measure was not necessary.

Your Committee respectfully requests that the Committee on Judiciary examine the impact of removing minor violations from the district court's jurisdiction and determine whether the change will save the district courts' time and resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 181 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1705 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 224**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to determine which boating violations require the time and resources of the district court for adjudication.

DLNR testified that this measure was not necessary.

Your Committee respectfully requests that the Committee on Judiciary examine the impact of removing minor violations from the district court's jurisdiction and determine whether the change will save the district courts' time and resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 224 and recommends that it be referred to the Committee on Judiciary.

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

**SCRep. 1706 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 256**

The purpose of this resolution is to request the University of Hawaii to conduct a study on the Molucca Albizia tree, including:

- (1) A field inventory of these trees in at least the Ala Wai watershed area;
- (2) Recommendations on whether it is feasible to eradicate these trees, and if so, a method of how to eradicate this species of tree; and
- (3) Identify the necessary components of an eradication pilot project to be performed in Manoa Valley, Oahu.

Although no testimony was submitted for this concurrent resolution, your Committee recognizes the hazardous conditions caused by aging Molucca Albizia trees and finds that this is a problem of statewide consequence.



As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 256 and recommends that it be referred to the Committee on Higher Education.

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

**SCRep. 1707 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 321**

The purpose of this concurrent resolution is to request the University of Hawaii to conduct a study on the Molucca Albizia tree, including:

- (1) A field inventory of these trees in at least the Ala Wai watershed area;
- (2) Recommendations on whether it is feasible to eradicate these trees, and if so, a method of how to eradicate this species of tree; and
- (3) Identify the necessary components of an eradication pilot project to be performed in Manoa Valley, Oahu.

Although no testimony was submitted for this concurrent resolution, your Committee recognizes the hazardous conditions caused by aging Molucca Albizia trees and finds that this is a problem of statewide consequence.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 321 and recommends that it be referred to the Committee on Higher Education.

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

**SCRep. 1708 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 207**

The purpose of this resolution is to request a management audit of the Historic Preservation Division of the Department of Land and Natural Resources.

The Office of Hawaiian Affairs and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO submitted testimony in support. The Society for Hawaiian Archaeology supported this measure with reservations. The Department of Land and Natural Resources opposed this resolution. A concerned individual provided comments.

Your Committee has amended this resolution by:

- (1) Including additional information on staff member turnover; and
- (2) Including additional language to request that the Auditor interview former Division staff and candidates for positions within the Division to evaluate Division management practices, including recruitment, hiring, and employment practices.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 207, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 207, H.D. 1.

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

**SCRep. 1709 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 260**

The purpose of this concurrent resolution is to request a management audit of the Historic Preservation Division of the Department of Land and Natural Resources.

The Office of Hawaiian Affairs and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO submitted testimony in support. The Society for Hawaiian Archaeology supported this measure with reservations. The Department of Land and Natural Resources opposed this concurrent resolution. A concerned individual provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Including additional information on staff member turnover; and
- (2) Including additional language to request that the Auditor interview former Division staff and candidates for positions within the Division to evaluate Division management practices, including recruitment, hiring, and employment practices.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 260, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 260, H.D. 1.

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

**SCRep. 1710 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 259**

The purpose of this resolution is to encourage the use of smart growth principles in land development by requesting:

- (1) The Speaker of the House of Representatives to create a task force to consider the incorporation of principles of smart growth in land use and development decision-making; and
- (2) The task force to develop legislation for improved land use, more open spaces, compact urban areas, more affordable housing, decreased infrastructure costs, and other ideas along the lines of smart growth principles.

The Hawaii Community Development Authority testified in support of this resolution with amendments. Land Use Research Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 259 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1711 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 165**

The purpose of this concurrent resolution is to request the department of Hawaiian Home Lands to establish a task force to consider implementing section 201.6, Hawaiian Homes Commission Act 1920, as amended, relating to community based governance on Hawaiian Home Lands.

The Department of Hawaiian Homes Lands, the Office of Hawaiian Affairs, Hui Kako'o'aina Ho'opulapula, State Council of Hawaiian Homestead Associations and a concerned individual testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 165 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Saiki and Thielen.

**SCRep. 1712 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 154**

The purpose of this concurrent resolution is to request the Office of Planning to assemble various State, County, and community agencies to meet and develop a Hanapepe Salt Pond resource management plan.

Testimony in support of this concurrent resolution was submitted by several concerned individuals. The Department of Land and Natural Resources and the Office of Planning offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title of this concurrent resolution to "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES, DIVISION OF LAND MANAGEMENT TO ASSEMBLE VARIOUS STATE, COUNTY, AND COMMUNITY AGENCIES TO MEET AND DEVELOP A HANAPEPE SALT POND RESOURCE MANAGEMENT PLAN."; and
- (2) Including additional language to include representatives from Hui O Pa'akai and rights holders in developing the the Resource Management Plan.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 154, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Saiki and Thielen.

**SCRep. 1713 Health on H.R. No. 9**

The purpose of this Resolution is to ensure that new medical facilities or medical services are made available to communities in the State in an equitable and efficient manner.

Specifically, this Resolution requests the Legislative Reference Bureau to examine the procedures utilized in other states and jurisdictions, if any, for the review and approval of proposals for new major medical facilities. The Legislative Reference Bureau is requested to submit a report containing its findings to the Legislature not later than twenty days prior to the convening of the Regular Session of 2008.

Your Committee received testimony in opposition to this Resolution from the State Health Planning and Development Agency. The Legislative Reference Bureau offered comments.

Your Committee finds that it would be instructive to ascertain and compare the processes and procedures used by other states and jurisdictions with regard to the determination of need for new medical facilities or services to ensure that the process used in Hawaii is equitable and efficient.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 9 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Green, Shimabukuro and Tokioka.

**SCRep. 1714 Health on H.C.R. No. 117**

The purpose of this concurrent resolution is to request the Department of Health to establish a State Trauma System.

Specifically, this measure requests the Department of Health to begin preparations to establish a State Trauma System that includes:

- (1) A State Trauma Advisory Committee;
- (2) A system-wide trauma performance improvement plan;
- (3) A statewide trauma registry;
- (4) County Trauma Audit Committees to address system issues and coordinate performance improvement plans;
- (5) A process to provide comprehensive outreach for trauma care hospitals;
- (6) Designating the Queen's Medical Center as a Level I trauma center;
- (7) Developing Maui Memorial Medical Center as a Level III trauma center, with plans to upgrade to a Level II trauma center within five to ten years;
- (8) Developing a Level III trauma center on Hawaii and Kauai; and
- (9) Incorporating existing medical expertise at the Queen's Medical Center, as the lead trauma center, to provide medical leadership to trauma system performance improvement.

Testimony in support of this measure was submitted by Hawaii Pacific Health, the Hawaii Medical Association, the Hawaii Chapter of the American College of Emergency Physicians, the Queen's Medical Center, and two concerned physicians. The Department of Health submitted comments on this measure.

Your Committee finds that injury is the leading cause of death for people between the ages of one to forty-four in Hawaii. However, the absence of comprehensive trauma care facilities throughout the State has created a public health crisis in Hawaii. Your Committee further finds that an insufficient trauma care system decreases the State's

health care capability and the overall health of the residents of the State. Additionally, a limited trauma care system decreases the State's ability to respond to unforeseen disasters and emergencies by limiting the ability of the health care system to respond to a surge in the demand for trauma care.

Your Committee suggests that the Committee on Finance discuss with the proponents of this concurrent resolution whether the current reports from the Department of Health are sufficient with respect to establishing a State Trauma System.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1715 Health on H.C.R. No. 53**

The purpose of this concurrent resolution is to encourage the formation of public-private partnerships to cover certain costs related to providing healthcare services for the medically underserved in rural areas of the State.

Your Committee finds that providing proper healthcare services in rural areas, particularly on the neighbor islands, has become increasingly difficult. Physicians cannot work cost-efficiently and the wages of employees in the healthcare industry are too low to retain the employees. The combination of low wages and high overhead costs has resulted in critical healthcare shortages, with any providers leaving the State.

Your Committee finds that encouraging public-private partnerships to provide financial assistance in establishing healthcare infrastructure and reducing costs for healthcare providers will lead to an improvement of the healthcare system statewide and will enable health care providers to offer primary care and specialty healthcare services in rural and medically underserved areas of the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1716 Health/Human Services & Housing on H.R. No. 116**

The purpose of this measure is to prevent the incidence of cervical cancer among women in the State and improve the overall health of Hawaii's population.

Specifically, this measure:

- (1) Requests the Department of Health to include human papillomavirus immunization among the services available to indigents;
- (2) Requests the Department of Health to include human papillomavirus immunization in the Teen VAX Program; and
- (3) Urges health insurers in the State to offer coverage for human papillomavirus vaccinations to female policyholders and covered individuals between eleven and twenty-six years of age, without a deductible.

The Department of Health and one concerned individual submitted testimony in opposition to this measure.

Your Committees find that that up to seventy-five per cent of women will become infected with one or more of the sexually transmitted human papillomavirus types at some point during adulthood. Infections with a small subset of high-risk human papillomavirus types can lead to the development of cervical cancer. Human papillomavirus vaccines target the two most common high risk virus types that cause about seventy per cent of all cervical cancer, and vaccination has been shown to offer one hundred per cent protection against the development of cervical pre-cancers and genital warts caused by the human papillomavirus types in the vaccine.

Accordingly, your Committee further find that making human papillomavirus vaccinations more widely available through public health programs and expanded insurance coverage, would improve the overall health of Hawaii's population and reduce the incidence of cervical cancer.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 116 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro. (Representative Bertram voted no.)

**SCRep. 1717 Health/Human Services & Housing on H.C.R. No. 147**

The purpose of this measure is to prevent the incidence of cervical cancer among women in the State and improve the overall health of Hawaii's population.

Specifically, this resolution:

- (1) Requests the Department of Health to include human papillomavirus immunization among the services available to indigents;
- (2) Requests the Department of Health to include human papillomavirus immunization in the Teen VAX Program; and
- (3) Urges health insurers in the State to offer coverage for human papillomavirus vaccinations to female policyholders and covered individuals between eleven and twenty-six years of age, without a deductible.

The Department of Health and one concerned individual submitted testimony in opposition to this measure.

Your Committees find that that up to seventy-five per cent of women will become infected with one or more of the sexually transmitted human papillomavirus types at some point during adulthood. Infections with a small subset of high-risk human papillomavirus types can lead to the development of cervical cancer. Human papillomavirus vaccines target the two most common high risk virus types that cause about seventy per cent of all cervical cancer, and vaccination has been shown to offer one hundred per cent protection against the development of cervical pre-cancers and genital warts caused by the human papillomavirus types in the vaccine.

Accordingly, your Committee further find that making human papillomavirus vaccinations more widely available through public health programs and expanded insurance coverage, would improve the overall health of Hawaii's population and reduce the incidence of cervical cancer.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 147 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

(Representative Bertram voted no.)

**SCRep. 1718 Labor & Public Employment on H.R. No. 200**

The purpose of this resolution is to request the Legislative Reference Bureau to survey other states as to whether and how they use workers' compensation laws to address employee disabilities caused by multiple chemical sensitivities.

The Legislative Reference Bureau is further requested to develop a workable model by which the State can cover disabilities caused by multiple chemical sensitivities through the State's workers' compensation law.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, the ILWU Local 142, and one individual. The Legislative Reference Bureau offered testimony in opposition. The Department of Labor and Industrial Relations and the Disability and Communication Access Board offered comments.

Your Committee finds that the literature is not conclusive concerning either the definition or the existence of multiple chemical sensitivities, nor is there agreement as to its coverage under the Americans with Disabilities Act. Your Committee also finds that it is unclear whether the Legislative Reference Bureau has the program expertise to develop and recommend a workable workers' compensation program model involving multiple chemical sensitivities. Your Committee further finds that requesting the development of a workable model using the Hawaii workers' compensation law to cover multiple chemical sensitivities already assumes that multiple chemical sensitivities exists as a bona fide medical condition and that the use of workers' compensation laws is an appropriate response.

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

- (1) Removing the request for the development of a workable workers' compensation model to cover multiple chemical sensitivities;
- (2) Removing the Legislative Reference Bureau and substituting the Department of Labor and Industrial Relations, which has the appropriate program expertise, to conduct the study;
- (3) Inserting the further request that the Department of Labor and Industrial Relations include in its report:
  - (A) The results of consultations with the Department's counterparts in other states to determine how other states handle workers' compensation cases involving multiple chemical sensitivities; and
  - (B) The standard of proof, the amount, type, and quality of evidence that must be presented in this State to demonstrate or otherwise prove to the satisfaction of the Department that a person's multiple chemical sensitivities claim is work-related; and
- (4) Amending the title of this measure to reflect the foregoing amendments.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 200, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 200, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Souki, Takamine and Meyer.

**SCRep. 1719 Labor & Public Employment on H.C.R. No. 250**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to survey other states as to whether and how they use workers' compensation laws to address employee disabilities caused by multiple chemical sensitivities.

The Legislative Reference Bureau is further requested to develop a workable model by which the State can cover disabilities caused by multiple chemical sensitivities through the State's workers' compensation law.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, the ILWU Local 142, and one individual. The Legislative Reference Bureau offered testimony in opposition. The Department of Labor and Industrial Relations and the Disability and Communication Access Board offered comments.

Your Committee finds that the literature is not conclusive concerning either the definition or the existence of multiple chemical sensitivities, nor is there agreement as to its coverage under the Americans with Disabilities Act. Your Committee also finds that it is unclear whether the Legislative Reference Bureau has the program expertise to develop and recommend a workable workers' compensation program model involving multiple chemical sensitivities. Your Committee further finds that requesting the development of a workable model using the Hawaii workers' compensation law to cover multiple chemical sensitivities already assumes that multiple chemical sensitivities exists as a bona fide medical condition and that the use of workers' compensation laws is an appropriate response.

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

- (1) Removing the request for the development of a workable workers' compensation model to cover multiple chemical sensitivities;
- (2) Removing the Legislative Reference Bureau and substituting the Department of Labor and Industrial Relations, which has the appropriate program expertise, to conduct the study;
- (3) Inserting the further request that the Department of Labor and Industrial Relations include in its report:
  - (A) The results of consultations with the Department's counterparts in other states to determine how other states handle workers' compensation cases involving multiple chemical sensitivities; and
  - (B) The standard of proof, the amount, type, and quality of evidence that must be presented in this State to demonstrate or otherwise prove to the satisfaction of the Department that a person's multiple chemical sensitivities claim is work-related; and
- (4) Amending the title of this measure to reflect the foregoing amendments.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 250, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 250, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Souki, Takamine and Meyer.

**SCRep. 1720 Tourism & Culture/Economic Development & Business Concerns on H.R. No. 152**

The purpose of this resolution is to request that the Senate Committee on Judiciary and Labor and the House Committee on Labor and Public Employment convene a joint hearing to consider the likely impacts on the labor force by the proposed Turtle Bay Resort expansion.

Keep the North Shore Country, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, and a concerned individual supported this measure. A concerned individual submitted comments.

Your Committees note that testimony submitted during the public hearing indicated that the North Shore area lags behind the rest of the state in terms of job opportunities and employment. A joint hearing will provide a public forum to address the labor issues related to the proposed Turtle Bay Resort expansion, including concerns regarding the availability of sufficient housing to support the additional employees hired under the expansion.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 152, H.D. 1, and recommend that it be referred to the Committee on Legislative Management.

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

**SCRep. 1721 Tourism & Culture/Economic Development & Business Concerns on H.C.R. No. 194**

The purpose of this concurrent resolution is to request that the Senate Committee on Judiciary and Labor and the House Committee on Labor and Public Employment convene a joint hearing to consider the likely impacts on the labor force by the proposed Turtle Bay Resort expansion.

Keep the North Shore Country, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, and a concerned individual supported this measure. A concerned individual submitted comments.

Your Committees note that testimony submitted during the public hearing indicated that the North Shore area lags behind the rest of the state in terms of job opportunities and employment. A joint hearing will provide a public forum to address the labor issues related to the proposed Turtle Bay Resort expansion, including concerns regarding the availability of sufficient housing to support the additional employees hired under the expansion.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 194, H.D. 1, and recommend that it be referred to the Committee on Legislative Management.

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

**SCRep. 1722 Tourism & Culture/Economic Development & Business Concerns on H.R. No. 153**

The purpose of this resolution is to address traffic concerns in the North Shore by requesting the Senate Committee on Transportation and International Affairs and House Committee on Transportation to convene a joint hearing, with the participation of the Department of Transportation and the Department of Planning and Permitting of the City and County of Honolulu, to consider the likely impacts on traffic by the proposed Turtle Bay Resort expansion and measures to mitigate traffic congestion that may be required by this expansion.

Keep the North Shore Country, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, and a concerned individual supported this measure. Kuilima Resort Company (KRC) opposed this measure.

Your Committees find that testimony submitted by KRC indicated that it has already carried out extensive analyses of the traffic impacts of the resort expansion and has begun implementation of measures to mitigate this concern. In addition, KRC noted that it has already invested significant amounts of resources into the expansion project based on government approvals. Your Committees find that a joint hearing will provide a public forum where traffic concerns relating to the expansion project may be addressed.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 153, H.D. 1, and recommend that it be referred to the Committee on Legislative Management.

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

**SCRep. 1723 Tourism & Culture/Economic Development & Business Concerns on H.C.R. No. 195**

The purpose of this concurrent resolution is to address traffic concerns in the North Shore by requesting the Senate Committee on Transportation and International Affairs and House Committee on Transportation to convene a joint hearing, with the participation of the Department of Transportation and the Department of Planning and Permitting of the City and County of Honolulu, to consider the likely impacts on traffic by the proposed Turtle Bay Resort expansion and measures to mitigate traffic congestion that may be required by this expansion.

Keep the North Shore Country, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, and a concerned individual supported this measure. Kuilima Resort Company (KRC) opposed this measure.

Your Committees find that testimony submitted by KRC indicated that it has already carried out extensive analyses of the traffic impacts of the resort expansion and has begun implementation of measures to mitigate this concern. In addition, KRC noted that it has already invested significant amounts of resources into the expansion project based on government approvals. Your Committees find that a joint hearing will provide a public forum where traffic concerns relating to the expansion project may be addressed.

As affirmed by the records of votes of the members of your Committees on Tourism & Culture and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 195, H.D. 1, and recommend that it be referred to the Committee on Legislative Management.

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

**SCRep. 1724 Water, Land, Ocean Resources & Hawaiian Affairs/Judiciary on H.C.R. No. 285**

The purpose of this concurrent resolution is to encourage the Office of Hawaiian Affairs and the Administration to negotiate a settlement regarding the outstanding differences regarding claims of the Office of Hawaiian Affairs to income and proceeds from the public land trust and jointly prepare a report outlining the proposed settlement.

The Department of the Attorney General and the Office of Hawaiian Affairs testified in support of this concurrent resolution.

Your Committees note that the use of the terms "settlement" and "claims" in the context of current discussions between the Office of Hawaiian Affairs and the Administration mischaracterize the current positions of the agencies as adversarial, when, as instructed by the Hawaii Supreme Court in *Trustees of the Office of Hawaiian Affairs v. Yamasaki*, 69 Haw. 154 (1987), *Office of Hawaiian Affairs v. State of Hawaii*, 96 Haw. 388 (2001), and *Office of Hawaiian Affairs v. State of Hawaii*, 110 Haw. 338 (2006), the constitutional obligations to native Hawaiians is the obligation of the State as a whole. Your Committees believe the agencies should instead cooperate with the Legislature in advising it on how best the State can fulfill its constitutional obligations.

Accordingly, your Committees have amended this measure by:

- (1) Changing the title of this concurrent resolution to "REQUESTING THE OFFICE OF HAWAIIAN AFFAIRS AND THE EXECUTIVE BRANCH TO DISCUSS PROPOSALS AND SUBMIT A JOINT INTERNATIONAL AFFAIRS REPORT WITH SUGGESTIONS AND RECOMMENDATIONS REGARDING THE INCOME AND PROCEEDS FROM THE PUBLIC LAND TRUST TO AID THE LEGISLATURE IN DETERMINING HOW BEST TO FACILITATE THE STATE'S CONSTITUTIONAL OBLIGATIONS TO NATIVE HAWAIIANS";
- (2) Reframing the task to be accomplished by the Office of Hawaiian Affairs and the Administration to work cooperatively to advise the Legislature on how best the State can fulfill its constitutional obligations to native Hawaiians; and
- (3) Replacing adversarial terms, like "settlement" and "claims" with language that more accurately defines the purpose of the ongoing discussions between the Administration and the Office of Hawaiian Affairs.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 285, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 285, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Luke, McKelvey, Saiki and Thielen.

**SCRep. 1725 Health/Human Services & Housing on H.R. No. 235**

The purpose of this Resolution is to request the Auditor to perform an audit of QUEST to evaluate its current performance in stabilizing health care costs and expanding access to health care services.

The Department of Human Services offered comments regarding this Resolution.

Your Committees find that despite a United States Supreme Court decision that effectively bans the possession and use of marijuana for any purposes, including medical use, the reality remains that many patients in the State, particularly on the island of Maui, rely on the use of marijuana to alleviate their pain and suffering that cannot be addressed in any other way.

Accordingly, your Committees have amended this Resolution by removing its title and contents and replacing it with those of House Concurrent Resolution No. 10 (2007). As amended, this Resolution strongly urges the Mayor and the County Council of Maui to implement various measures regarding medical marijuana as follows:

- (1) Develop a Maui County Family Farmer Medical Marijuana Regulation and Revenue Program to tax and regulate the sale of marijuana for adult use;
- (2) Under the program:
  - (A) License qualified family farmers in designated agricultural zones to produce marijuana and allow each licensed family farmer to produce marijuana for up to two hundred qualifying patients;
  - (B) Create an allotment system allowing agriculturally zoned family farmers on the island of Maui to supply the medical marijuana needs of Maui by requiring five-year organic farm plans based on at least two organic crops, the first of which shall be marijuana and the second of which shall be an organic vegetables crop; and
  - (C) Create a community oversight committee to oversee the implementation of the program;
- (3) Direct the Maui County Police Department to make investigation, citation, and arrest for private adult medical marijuana offenses the lowest law enforcement priority; and
- (4) Advocate for legislative change to further legalize medical use of marijuana at the state and the federal levels.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 235, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 235, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro. (Representatives Rhoads, Takai, Tokioka and Ward voted no.)

**SCRep. 1726 Public Safety & Military Affairs on H.C.R. No. 12**

The purpose of this Concurrent Resolution is to request the Department of Public Safety to adopt policies to prevent the transfer of incarcerated parents of minor children to correctional facilities on the mainland.

Your Committee received testimony in support of the Concurrent Resolution from the Community Alliance on Prisons, the Hawaii Youth Services Network, and a concerned citizen. Testimony in opposition was received from the Department of Public Safety.

Your Committee felt issues raised in the Concurrent Resolution were addressed in other measures and felt the Department of Public Safety had legitimate concerns with the Concurrent Resolution as written.

Your Committee has amended this Concurrent Resolution by replacing it in its entirety with a request to have the Auditor conduct financial and management audits of the Civil Defense Division of the Department of Defense and to report on federal government initiatives to shift disaster preparedness, disaster relief, and homeland security costs to state and local governments.

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. 12, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 12, H.D. 1.

Signed by all members of the Committee except Representatives Lee, Luke, Nishimoto, Sonson, Takumi and Pine.

**SCRep. 1727 Transportation on H.C.R. No. 276**

The purpose of this concurrent resolution is to alleviate the negative impacts increased fees would have on the people and economy of the State of Hawaii by stating the Legislature's opposition to the enactment of a bill by the California State Legislature that proposes to impose fees on the processing of shipping containers in the State of California.

The Department of Transportation, The Chamber of Commerce of Hawaii, Horizon Lines, LLC, and Hawaii Ports Maritime Council testified in support of this measure. Alexander and Baldwin, Inc., and Matsun Navigation Company, Inc., testified in support of the intent of this measure. The ILWU Local 142 testified in opposition to this measure.

Hawaii is unique among its 49 sister states in that over 90 percent of goods being consumed in Hawaii come to Hawaii via its ports. It has been estimated that the processing fees being proposed in California will add approximately \$34,000,000 dollars a year in shipping costs. These increased costs will have a negative impact on the people of Hawaii and will add to the financial burden Hawaii consumers already face.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 276 and recommends that it be referred to the Committees on Economic Development & Business Concerns and Consumer Protection & Commerce. Takumi.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi. (Representative Takamine voted no.)

**SCRep. 1728 Transportation on H.R. No. 204**

The purpose of this resolution is to reduce the State's dependency on personal automobiles and imported oil by requesting the Department of Transportation (DOT), in conjunction with the Department of Land and Natural Resources (DLNR), to develop a statewide greenbelts strategy to promote the identification or development of transportation management systems that are based on the reduction of automobile use or alternatives to the automobile.

DOT and DLNR offered comments on this resolution.

Your Committee recognizes that current land planning fosters dependency on personal automobiles by placing residences far from jobs and businesses and, as a result, causes traffic congestion, pollution, and urban sprawl, which spoil Hawaii's natural beauty. Your Committee notes however, that greenbelts benefit urban, suburban, and rural habitats by promoting non-motorized modes of transportation and create an integrated ground transportation and recreational system.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 204 and recommends that it be referred to the Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Energy & Environmental Protection.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1729 Transportation on H.C.R. No. 254**

The purpose of this concurrent resolution is to reduce the State's dependency on personal automobiles and imported oil by requesting the Department of Transportation (DOT), in conjunction with the Department of Land and Natural Resources (DLNR), to develop a statewide greenbelts strategy to promote the identification or development of transportation management systems that are based on the reduction of automobile use or alternatives to the automobile.

DOT and DLNR offered comments on this concurrent resolution.

Your Committee recognizes that current land planning fosters dependency on personal automobiles by placing residences far from jobs and businesses and, as a result, causes traffic congestion, pollution, and urban sprawl, which spoil Hawaii's natural beauty. Your Committee notes however, that greenbelts benefit urban, suburban, and rural habitats by promoting non-motorized modes of transportation and create an integrated ground transportation and recreational system.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 254 and recommends that it be referred to the Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Energy & Environmental Protection.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1730 Transportation on H.R. No. 266**

The purpose of this resolution is to help alleviate traffic congestion from West Oahu by requesting the Department of Transportation (DOT) to open and reconfigure the eastbound and westbound shoulder lanes from Makakilo Drive to the Kunia Interchange near the eastbound on-ramp to the H-1 Freeway during the morning and afternoon rush hours.

Numerous individuals testified in support of this measure. DOT did not support this measure as currently written.

Your Committee finds that traffic congestion from West Oahu, particularly the Leeward Coast, has greatly increased with increasing development and growth. In fact, it is common for individuals commuting from these areas of the island to spend several hours in traffic every day. Allowing for the use of a shoulder lane for traffic movement during rush hours may help alleviate some of this traffic congestion.

However, your Committee notes the concerns raised by DOT regarding the feasibility and necessity of initiating such a change in the area and during the times specified in this measure. Accordingly, your Committee has amended this measure by requesting DOT to only open and reconfigure the eastbound shoulder lanes from Makakilo Drive to the Waipahu off-ramp on the H-1 Freeway during the morning rush hours.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 266, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 266, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1731 Transportation on H.C.R. No. 329**

The purpose of this concurrent resolution is to help alleviate traffic congestion from West Oahu by requesting the Department of Transportation (DOT) to open and reconfigure the eastbound and westbound shoulder lanes from Makakilo Drive to the Kunia Interchange near the eastbound on-ramp on the H-1 Freeway during the morning and afternoon rush hours.

Numerous individuals testified in support of this measure. DOT did not support this measure as currently written.

Your Committee finds that traffic congestion from West Oahu, particularly the Leeward Coast, has greatly increased with increasing development and growth. In fact, it is common for individuals commuting from these areas of the island to spend several hours in traffic every day. Allowing for the use of a shoulder lane for traffic movement during rush hours may help alleviate some of this traffic congestion.

However, your Committee notes the concerns raised by DOT regarding the feasibility and necessity of initiating such a change in the area and during the times specified in this measure. Accordingly, your Committee has amended this measure by requesting DOT to only open and reconfigure the eastbound shoulder lanes from Makakilo Drive to the Waipahu off-ramp on the H-1 Freeway during the morning rush hours.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 329, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 329, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1732                    Transportation on H.R. No. 158**

The purpose of this resolution is to urge the Department of Transportation to immediately convene an aircraft noise abatement advisory committee to work with the Federal Aviation Administration to establish effective noise abatement procedures and to adopt rules and regulations in order to mitigate aircraft noise impacts on noise sensitive areas.

The Department of Transportation supports the intent of this resolution and provided comments. Michelle Spalding Matson and Cliff Montgomery of Citizens Against Noise of Hawaii, and individuals Linda Wong and Jeannine Johnson strongly support this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 158 and recommends that it be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1733                    Transportation on H.C.R. No. 200**

The purpose of this concurrent resolution is to urge the Department of Transportation to immediately convene an aircraft noise abatement advisory committee to work with the Federal Aviation Administration to establish effective noise abatement procedures and to adopt rules and regulations in order to mitigate aircraft noise impacts on noise sensitive areas.

The Department of Transportation supports the intent of this concurrent resolution and provided comments. Michelle Spalding Matson and Cliff Montgomery of Citizens Against Noise of Hawaii, and individuals Linda Wong and Jeannine Johnson strongly support this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200 and recommends that it be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1734                    Transportation on H.R. No. 159**

The purpose of this resolution is to request the Federal Aviation Administration to work with the Department of Transportation to establish noise sensitive operating procedures and air traffic patterns to reduce and control aircraft noise impacts.

The Department of Transportation supports the intent of this resolution and offered comments. Citizens Against Noise of Hawaii is in full support of this concurrent resolution. Individuals Linda Wong, Jeanine Johnson and Daisy Murai strongly support this resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 159 and recommends that it be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1735                    Transportation on H.C.R. No. 201**

The purpose of this concurrent resolution is to request the Federal Aviation Administration to work with the Department of Transportation to establish noise sensitive operating procedures and air traffic patterns to reduce and control aircraft noise impacts.

The Department of Transportation support the intent of this concurrent resolution and offered comments. Citizens Against Noise of Hawaii is in full support of this concurrent resolution. Individuals Linda Wong, Jeannine Johnson and Daisy Murai strongly support this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 201 and recommends that it be referred to the Committee on Energy & Environmental Protection.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1736                    Transportation on H.C.R. No. 275**

The purpose of this concurrent resolution is to request the United States Congress to enact enabling legislation that would permit state regulation of inter island air carriers by an Air Carrier Commission pursuant to Act 332, Session Laws of Hawaii 1993.

Aloha Airlines offered comment on HCR 275, agreeing with the premise that Hawaii is unique as the only island state with no highways or rail between the islands and that Hawaii's airlines serve as the principal link between far-flung communities across our state. Hawaiian Airlines support this concurrent resolution and they are grateful for government efforts to promote stability in the local airlines industry.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 275 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.



**SCRep. 1737 Transportation on H.C.R. No. 317**

The purpose of this concurrent resolution is to request the Department of Transportation to implement a transportation performance program.

The Department of Transportation supports the intent of this concurrent resolution and commented on this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 317 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, McKelvey, Sonson and Takumi.

**SCRep. 1738 Health on H.C.R. No. 8**

The purpose of this Concurrent Resolution is to ensure that new medical facilities or medical services are made available to communities in the State in an equitable and efficient manner.

Specifically, this Concurrent Resolution requests the Legislative Reference Bureau to examine the procedures utilized in other states and jurisdictions, if any, for the review and approval of proposals for new major medical facilities. The Legislative Reference Bureau is requested to submit a report containing its findings to the Legislature not later than twenty days prior to the convening of the Regular Session of 2008.

Your Committee received testimony in opposition to this Concurrent Resolution from the State Health Planning and Development Agency. The Legislative Reference Bureau offered comments.

Your Committee finds that it would be instructive to ascertain and compare the processes and procedures used by other states and jurisdictions with regard to the determination of need for new medical facilities or services to ensure that the process used in Hawaii is equitable and efficient.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1739 Economic Development & Business Concerns on H.R. No. 47**

The purpose of this resolution is to join the global partnership for a better world by urging the adoption of the United Nation's Millennium Development Goals which include promoting poverty reduction, education, maternal health, gender equality, and combating child mortality, AIDS, and other diseases.

The Dr. Martin Luther King, Jr. Coalition – Hawaii, and several concerned individuals supported this resolution. The Department of Education supported the intent of this measure.

Your Committee finds that the Millennium Goals are major arenas in which significant progress must be made if all people in the world are to enjoy the basic human rights of health, food, education, and employment, and have a stake in continuing to improve and protect their society.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 47 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1740 Economic Development & Business Concerns on H.C.R. No. 68**

The purpose of this concurrent resolution is to join the global partnership for a better world by urging the adoption of the United Nation's Millennium Development Goals which include promoting poverty reduction, education, maternal health, gender equality, and combating child mortality, AIDS, and other diseases.

The Dr. Martin Luther King, Jr. Coalition – Hawaii, and several concerned individuals supported this concurrent resolution. The Department of Education supported the intent of this measure.

Your Committee finds that the Millennium Goals are major arenas in which significant progress must be made if all people in the world are to enjoy the basic human rights of health, food, education, and employment, and have a stake in continuing to improve and protect their society.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68 and recommends that it be referred to the Committee on Finance.

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

**SCRep. 1741 Economic Development & Business Concerns on H.C.R. No. 295**

The purpose of this concurrent resolution is to provide the infrastructure necessary to enhance government services and grow Hawaii's economy, by convening a Hawaii broadband task force to expand broadband Internet access and usage in Hawaii.

The University of Hawaii System supported this concurrent resolution. The Department of Accounting and General Services and Hawaiian Telcom provided comments.

Your Committee finds that statewide broadband Internet capability and access are essential if Hawaii is to fully participate in and enjoy the social and economic benefits of the information revolution.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 295 and recommends that it be referred to the Committee on Legislative Management.

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

**SCRep. 1742 Education on H.C.R. No. 43**

The purpose of this concurrent resolution is to request the auditor to conduct a fiscal and management audit of the Department of Education's special education program to ensure that an adequate level of special education services is being provided to special-needs students.

The measure also requests that the Department of Education cooperate with, and provide assistance to, the Auditor with respect to this fiscal and management audit.

Testifying in support of this measure were the Hawaii State Teachers Association, Cure Autism Now and Autism Speaks, Autism Society of Hawaii, Hawaii Down Syndrome Congress, and concerned individuals. The Department of Education offered comments.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Chang, Nishimoto, Saiki and Takamine.

**SCRep. 1743 Education/Labor & Public Employment on H.R. No. 169**

The purpose of this resolution is to urge that the tenure provisions of the Hawaii State Teachers Association contract with the state be amended to decrease the high turnover rate of teachers in rural area schools, and prevent those schools from being disproportionately staffed with inexperienced, untenured teachers.

Testimony in support of the resolution was offered by a concerned individual. Supporting the intent of the resolution was the Department of Education. The Hawaii State Teachers Association opposed the resolution.

Based on the testimony given in which the Hawaii State Teachers Association and the Board of Education concurred that the list of "geographic hard to fill and hard to staff" areas is in a memorandum of understanding and that all the teachers in these areas are not receiving the \$3,000 annual salary supplement to which those areas are entitled, this committee amended this measure.

Your committee has amended this measure by:

- (1) deleting all references to the tenure provisions of the Hawaii State Teachers Association contract with the Department of Education; and,
- (2) adding the request that the Hawaii State Teachers Association and the Department of Education create criteria and the process for designating areas, such as those listed in the memorandum of understanding, as "geographically hard-to-fill and hard-to-staff"; and,
- (3) adding the request that the Department of Education and the Hawaii State Teachers Association identify and recommend to the Legislature additional strategies to attract, recruit and retain teachers already in Hawaii; and,
- (4) adding the request that the Department of Education report back to the Legislature 20 days before the 2008 legislative session; and,
- (3)[sic] amending the support information to reflect the resolution amendments; and,
- (1)[sic] amending the title to read:

"REQUESTING THE HAWAII STATE TEACHERS ASSOCIATION AND THE DEPARTMENT OF EDUCATION TO CREATE CRITERIA AND THE PROCESS FOR DESIGNATING AREAS AS "RURAL" AND "HARD TO FILL" IN ORDER TO ENABLE THE TEACHERS IN THOSE DESIGNATED AREAS TO RECEIVE THE AGREED UPON ANNUAL SALARY SUPPLEMENT"

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 concur with the intent and purpose of H.R. No. 169, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 169, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chang, Lee, Luke, Nishimoto, Saiki, Souki and Takamine.

**SCRep. 1744 Education/Labor & Public Employment on H.C.R. No. 211**

The purpose of this concurrent resolution is to urge that the tenure provisions of the Hawaii State Teachers Association contract with the state be amended to decrease the high turnover rate of teachers in rural area schools, and prevent those schools from being disproportionately staffed with inexperienced, untenured teachers.

Testimony in support of the resolution was offered by a concerned individual. Supporting the intent of the resolution was the Department of Education. The Hawaii State Teachers Association opposed the resolution.

Based on the testimony given in which the Hawaii State Teachers Association and the Board of Education concurred that the list of "geographic hard to fill and hard to staff" areas is in a memorandum of understanding and that all the teachers in these areas are not receiving the \$3,000 annual salary supplement to which those areas are entitled, this committee amended this measure.

Your committee has amended this measure by:

- (1) deleting all references to the tenure provisions of the Hawaii State Teachers Association contract with the Department of Education; and,
- (2) adding the request that the Hawaii State Teachers Association and the Department of Education create criteria and the process for designating areas, such as those listed in the memorandum of understanding, as "geographically hard-to-fill and hard-to-staff"; and,
- (3) adding the request that the Department of Education and the Hawaii State Teachers Association identify and recommend to the Legislature additional strategies to attract, recruit and retain teachers already in Hawaii; and,
- (4) adding the request that the Department of Education report back to the Legislature 20 days before the 2008 legislative session; and,
- (3) [sic] amending the support information to reflect the concurrent resolution amendments; and,
- (1) [sic] amending the title to read:

"REQUESTING THE HAWAII STATE TEACHERS ASSOCIATION AND THE DEPARTMENT OF EDUCATION TO CREATE CRITERIA AND THE PROCESS FOR DESIGNATING AREAS AS "RURAL" AND "HARD TO FILL" IN ORDER TO ENABLE THE TEACHERS IN THOSE DESIGNATED AREAS TO RECEIVE THE AGREED UPON ANNUAL SALARY SUPPLEMENT"

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 concur with the intent and purpose of H.C.R. No. 211, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 211, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Chang, Lee, Luke, Nishimoto, Saiki, Souki and Takamine.

**SCRep. 1745 Human Services & Housing on H.R. No. 141**

The purpose of this measure is to request the Legislative Reference Bureau to prepare a study on the Cash and Counseling Program.

The American Association of Retired Persons submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

Your Committee finds that the Cash and Counseling Program provides recipients of Medicaid personal care services or home- and community-based services with a flexible monthly allowance and the freedom to decide what provider to hire and what services they want to receive. Additionally, the program provides participants with counseling and fiscal assistance to help them manage their allowance and responsibilities. The Cash and Counseling Program has been implemented in fifteen other states, allowing those participants to direct and manage their personal assistance services according to their own specific needs. Your Committee finds that the potential exists to establish a similar Cash and Counseling program here in Hawaii, and a study should be prepared on the implementation of this program.

Your Committee has amended this measure to delete the request for the Legislative Reference Bureau to research the possible use of a similar "Cash and Counseling" approach for individuals who are not Medicaid recipients, in order to keep the scope of the study to a manageable size.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 141, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 141, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1746 Human Services & Housing on H.C.R. No. 183**

The purpose of this measure is to request the Legislative Reference Bureau to prepare a study on the Cash and Counseling Program.

The American Association of Retired Persons submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

Your Committee finds that the Cash and Counseling Program provides recipients of Medicaid personal care services or home- and community-based services with a flexible monthly allowance and the freedom to decide what provider to hire and what services they want to receive. Additionally, the program provides participants with counseling and fiscal assistance to help them manage their allowance and responsibilities. The Cash and Counseling Program has been implemented in fifteen other states, allowing those participants to direct and manage their personal assistance services according to their own specific needs. Your Committee finds that the potential exists to establish a similar Cash and Counseling program here in Hawaii, and a study should be prepared on the implementation of this program.

Your Committee has amended this measure to delete the request for the Legislative Reference Bureau to research the possible use of a similar "Cash and Counseling" approach for individuals who are not Medicaid recipients, in order to keep the scope of the study to a manageable size.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 183, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1747 Human Services & Housing on H.R. No. 146**

The purpose of this resolution is to compare the adult protective services of other states to Hawaii's adult protective services.

Specifically, this resolution requests the Legislative Reference Bureau to:

- (1) Examine the other states' adult protective services laws and their implementation in the respective states;
- (2) Obtain information regarding the total number of cases reported to the adult protective services of each state and the ratio of cases per capita for each state;
- (3) Discuss the typical case load for case workers in each state; and
- (4) Discuss the consequences of any expansion of services or changes to adult protective services laws in the various states, including whether the total number of cases increased or decreased and the resulting case load for case workers.

Your Committee received testimony in support of this resolution from the National Association of Social Workers. The Legislative Reference Bureau offered comments.

Your Committee finds that including a request to discuss in the study the changes in adult protective services laws in other states and whether those changes increased or decreased case loads would not only be time-consuming but also ultimately impossible.

Accordingly, your Committee has amended this resolution by:

- (1) Deleting the request to discuss:
  - (A) Changes in other states' laws in the study of adult protective services; and
  - (B) The typical case load for case workers in each state; and
- (2) Adding two other items of information, in addition to the total number of cases reported to the adult protective services of each state and the ratio of cases per capita for each state, for the Legislative Reference Bureau to obtain, as follows:
  - (A) What changes to Hawaii's adult protective services law would need to be made to make the applicability of Hawaii's law more comparable to those in other states; and
  - (B) The estimated increase or decrease in the number of cases that would be reported in Hawaii as a result of the change those changes.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 146, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 146, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1748 Human Services & Housing on H.C.R. No. 188**

The purpose of this concurrent resolution is to compare the adult protective services of other states to Hawaii's adult protective services.

Specifically, this resolution requests the Legislative Reference Bureau to:

- (1) Examine the other states' adult protective services laws and their implementation in the respective states;
- (2) Obtain information regarding the total number of cases reported to the adult protective services of each state and the ratio of cases per capita for each state;
- (3) Discuss the typical case load for case workers in each state; and
- (4) Discuss the consequences of any expansion of services or changes to adult protective services laws in the various states, including whether the total number of cases increased or decreased and the resulting case load for case workers.

Your Committee received testimony in support of this concurrent resolution from the National Association of Social Workers. The Legislative Reference Bureau offered comments.

Your Committee finds that including a request to discuss in the study the changes in adult protective services laws in other states and whether those changes increased or decreased case loads would not only be time-consuming but also ultimately impossible.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Deleting the request to discuss:
  - (A) Changes in other states' laws in the study of adult protective services; and
  - (B) The typical case load for case workers in each state; and
- (2) Adding two other items of information, in addition to the total number of cases reported to the adult protective services of each state and the ratio of cases per capita for each state, for the Legislative Reference Bureau to obtain, as follows:
  - (A) What changes to Hawaii's adult protective services law would need to be made to make the applicability of Hawaii's law more comparable to those in other states; and
  - (B) The estimated increase or decrease in the number of cases that would be reported in Hawaii as a result of the change those changes.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 188, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

**SCRep. 1749 Human Services & Housing on H.C.R. No. 305**

The purpose of this concurrent resolution is to request the Auditor to conduct a program and financial audit of the Honolulu Community Action Program (HCAP).

Several concerned individuals testified in support of this concurrent resolution. HCAP and a concerned individual provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to, "REQUESTING THE HONOLULU COMMUNITY ACTION PROGRAM TO PROVIDE COPIES OF AUDITS CONDUCTED ON BEHALF OF THE STATE";
- (2) Requesting HCAP to provide to the Legislature no later than 20 days prior to the convening of the Regular Session of 2008, copies of any audits conducted on behalf of the State on the use of state funds since the 2005 fiscal year, and a report on its programs and use of funds, instead of requesting the Auditor to conduct an audit;
- (3) Removing the Auditor from the list of persons to receive a certified copy of this concurrent resolution; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 305, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 305, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1750 Human Services & Housing on H.C.R. No. 20**

The purpose of this concurrent resolution is to request the Senate and House of Representatives committees with jurisdiction over human services to convene one or more task forces to further study and make recommendations regarding the issues identified by the Family Court Models Committee.

The Hawaii Chapter of the National Association of Social Workers and Children's Rights Council of Hawaii supported this concurrent resolution in its original form. The Domestic Violence Clearinghouse and Legal Hotline opposed the original measure.

Your Committee subsequently made a proposed draft available to the public that requested the Department of Taxation (DOTAX) with the Department of Human Services (DHS) and Department of Health (DOH) to study the possibility of providing a general excise tax exemption to the Adult Foster Homes of Hawaii and members of the Coalition of Care Home Administrators.

The Hawaii Coalition of Care Home Administrators and Adult Foster Home Association of Hawaii supported the proposed draft of this concurrent resolution.

During the hearing on the proposed draft, your Committee circulated a second proposed draft that expanded on the first proposed draft by requesting DOTAX, with cooperation for DOH and DHS, to conduct a cost-benefit analysis of providing a tax exemption to adult foster homes and care homes.

Your Committee has amended this concurrent resolution by adopting the second proposed draft and adding the President of the Adult Foster Home Association of Hawaii as a recipient of a certified copy of the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 20, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 20, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1751 Human Services & Housing on H.C.R. No. 149**

The purpose of this concurrent resolution is to support the efforts of Malama O Kamali'i Makamae to develop and operate state-of-the-art care facilities for endangered young children from low-income households, including native Hawaiian children at high risk.

The Office of Hawaiian Affairs, Malama O Kamali'i Makamae, and many concerned individuals testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Removing references to the Legislature's grant-in-aid 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 Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 149, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 149, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1752 Human Services & Housing/Education on H.R. No. 147**

The purpose of this resolution is to request the Department of Human Services (DHS) to develop programs and provide services to assist homeless children.

The Waikiki Health Center, Hawaii Youth Services Network, and several concerned individuals testified in support of this resolution. The State Homeless Programs Branch of the Hawaii Public Housing Authority supported the intent of this measure. Waianae Community Outreach supported this resolution with amendments. Several concerned individuals provided comments.

Your Committees have amended this resolution by:

- (1) Changing its title to, "REQUESTING THE DEPARTMENT OF HUMAN SERVICES AND DEPARTMENT OF EDUCATION TO PROVIDE ADDITIONAL OUTREACH SERVICES TO HOMELESS INFANTS, CHILDREN, AND YOUTH IN HAWAII";
- (2) Ensuring that the request is for Hawaii's children of all ages to be covered by additional outreach services, including homeless infants and youth;
- (3) Clarifying that the Department of Education (DOE) is also requested to develop programs and services for homeless children;
- (4) Removing names of specific agencies that DHS is requested to provide financial assistance to;
- (5) Adding transportation as a basic service that should be provided to homeless children;
- (6) Requesting DHS to offer a plan to increase funding for parent participation programs and training;
- (7) Requesting DHS to coordinate the efforts of the Interagency Council on Homelessness with the Interdepartmental Council for Early Childhood Education;
- (8) Requiring DHS and DOE to submit an implementation plan to the Legislature no later than 20 days prior to the convening of the Regular Session of 2008; and
- (9) 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 & Housing and Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 147, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 147, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Green, Saiki, Takamine and Ching.

**SCRep. 1753 Human Services & Housing/Education on H.C.R. No. 189**

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to develop programs and provide services to assist homeless children.

The Waikiki Health Center, Hawaii Youth Services Network, and several concerned individuals testified in support of this concurrent resolution. The State Homeless Programs Branch of the Hawaii Public Housing Authority supported the intent of this measure. Waianae Community Outreach supported this concurrent resolution with amendments. Several concerned individuals provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to, "REQUESTING THE DEPARTMENT OF HUMAN SERVICES AND DEPARTMENT OF EDUCATION TO PROVIDE ADDITIONAL OUTREACH SERVICES TO HOMELESS INFANTS, CHILDREN, AND YOUTH IN HAWAII";

- (2) Ensuring that the request is for Hawaii's children of all ages to be covered by additional outreach services, including homeless infants and youth;
- (3) Clarifying that the Department of Education (DOE) is also requested to develop programs and services for homeless children;
- (4) Removing names of specific agencies that DHS is requested to provide financial assistance to;
- (5) Adding transportation as a basic service that should be provided to homeless children;
- (6) Requesting DHS to offer a plan to increase funding for parent participation programs and training;
- (7) Requesting DHS to coordinate the efforts of the Interagency Council on Homelessness with the Interdepartmental Council for Early Childhood Education;
- (8) Requiring DHS and DOE to submit an implementation plan to the Legislature no later than 20 days prior to the convening of the Regular Session of 2008; and
- (9) 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 & Housing and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 189, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 189, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Green, Saiki, Takamine and Ching.

**SCRep. 1754 Human Services & Housing/International Affairs on H.R. No. 264**

The purpose of this resolution is to request the Center for Pacific Island Studies (Center) at the University of Hawaii at Manoa to convene and lead a task force to identify and address the needs of Pacific Islanders in Hawaii.

The Center testified in support of this resolution.

Your Committees have amended this resolution by:

- (1) Changing its title to, "REQUESTING THE CENTER FOR PACIFIC ISLAND STUDIES AT THE UNIVERSITY OF HAWAII AT MANOA TO ESTABLISH A TASK FORCE TO IDENTIFY AND ADDRESS THE NEEDS OF PACIFIC ISLANDERS IN HAWAII AND REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO CHARGE RESIDENT TUITION TO PACIFIC ISLANDER STUDENTS";
- (2) Requesting the University of Hawaii Board of Regents (BOR) to charge resident tuition to Pacific Islanders and submitting a progress report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2008;
- (3) Sending a certified copy of the resolution to the Chair of BOR and President of the University of Hawaii; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 264, as amended herein, and recommend that it be referred to the Committee on Higher Education, in the form attached hereto as H.R. No. 264, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1755 Human Services & Housing/International Affairs on H.C.R. No. 327**

The purpose of this concurrent resolution is to request the Center for Pacific Island Studies (Center) at the University of Hawaii at Manoa to convene and lead a task force to identify and address the needs of Pacific Islanders in Hawaii.

The Center testified in support of this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to, "REQUESTING THE CENTER FOR PACIFIC ISLAND STUDIES AT THE UNIVERSITY OF HAWAII AT MANOA TO ESTABLISH A TASK FORCE TO IDENTIFY AND ADDRESS THE NEEDS OF PACIFIC ISLANDERS IN HAWAII AND REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO CHARGE RESIDENT TUITION TO PACIFIC ISLANDER STUDENTS";
- (2) Requesting the University of Hawaii Board of Regents (BOR) to charge resident tuition to Pacific Islanders and submitting a progress report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2008;
- (3) Sending a certified copy of the resolution to the Chair of BOR and President of the University of Hawaii; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 327, as amended herein, and recommend that it be referred to the Committee on Higher Education, in the form attached hereto as H.C.R. No. 327, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1756 Human Services & Housing/Health on H.R. No. 145**

The purpose of this resolution is to request the Legislative Reference Bureau to conduct a study on respite care services provided in other states and an inventory of respite care services provided in Hawaii.

The Hawaii Aging Advocates Coalition provided testimony in support of this measure. The Legislative Reference Bureau provided comments.

Your Committee finds that family caregivers need temporary relief, or respite care, from the responsibilities of caring for a care recipient to attend to their own personal and professional obligations. Respite care can include medical or social adult day care or a short-term stay in a nursing home or assisted living facility for the care recipient, a home health aide or home health companion, or a private duty nurse or adult foster care.

Your Committee further finds that a study of respite care and the provision of respite care services in other states would provide helpful information in establishing respite care programs for family caregivers in this State.

Your Committee has amended this measure by:

- (1) Requesting the Executive Office on Aging to conduct the inventory of existing respite care services in Hawaii that are funded by federal, state, or county moneys;
- (2) Amending the title of this measure to reflect the foregoing amendments; and
- (3) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 145, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.R. No. 145, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green, Takai and Awana.

**SCRep. 1757 Human Services & Housing/Health on H.C.R. No. 187**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on respite care services provided in other states and an inventory of respite care services provided in Hawaii.

The Hawaii Aging Advocates Coalition provided testimony in support of this measure. The Legislative Reference Bureau provided comments.

Your Committee finds that family caregivers need temporary relief, or respite care, from the responsibilities of caring for a care recipient to attend to their own personal and professional obligations. Respite care can include medical or social adult day care or a short-term stay in a nursing home or assisted living facility for the care recipient, a home health aide or home health companion, or a private duty nurse or adult foster care.

Your Committee further finds that a study of respite care and the provision of respite care services in other states would provide helpful information in establishing respite care programs for family caregivers in this State.

Your Committee has amended this measure by:

- (1) Requesting the Executive Office on Aging to conduct the inventory of existing respite care services in Hawaii that are funded by federal, state, or county moneys;
- (2) Amending the title of this measure to reflect the foregoing amendments; and
- (3) Making technical nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 187, as amended herein, and recommend that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 187, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green, Takai and Awana.

**SCRep. 1758 Transportation on H.R. No. 182**

The purpose of this resolution is to promote traffic safety by requesting the examiner of drivers of each county to consider reports of various professionals or people while making a finding of reasonable cause of incompetence when considering suspending a driver's license.

The Occupational Therapy Association of Hawaii testified in support of this measure. The Department of Customer Services of the City and County of Honolulu (DCS) testified in support of the intent of this measure.

The ability to drive is one of the highest levels of independence for anyone to achieve. Loss of this privilege means a person must depend on others to transport them from place to place and often results in a person who has lost their physical or cognitive ability to safely operate a motor vehicle to continue to operate a motor vehicle on public roads. This creates a public hazard for all of Hawaii's motorists and pedestrians.

However, your Committee understands the concerns raised by DCS that the state Department of Transportation should also be involved in this decision making process. Accordingly, your Committee has amended this measure by:

- (1) Requesting the Director of Transportation, in coordination with the medical advisory board and county examiner of drivers, to adopt appropriate rules or submit any necessary legislation with recommended statutory amendments to implement the intent of this measure; and
- (2) Requiring that a certified copy of this resolution be transmitted to the Director of Transportation.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 182, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 182, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1759 Transportation on H.C.R. No. 225**

The purpose of this concurrent resolution is to promote traffic safety by requesting the examiner of drivers of each county to consider reports of various professionals or people while making a finding of reasonable cause of incompetence when considering suspending a driver's license.

The Occupational Therapy Association of Hawaii testified in support of this measure. The Department of Customer Services of the City and County of Honolulu (DCS) testified in support of the intent of this measure.

The ability to drive is one of the highest levels of independence for anyone to achieve. Loss of this privilege means a person must depend on others to transport them from place to place and often results in a person who has lost their physical or cognitive ability to safely operate a motor vehicle to continue to operate a motor vehicle on public roads. This creates a public hazard for all of Hawaii's motorists and pedestrians.

However, your Committee understands the concerns raised by DCS that the state Department of Transportation should also be involved in this decision making process. Accordingly, your Committee has amended this measure by:

- (1) Requesting the Director of Transportation, in coordination with the medical advisory board and county examiner of drivers, to adopt appropriate rules or submit any necessary legislation with recommended statutory amendments to implement the intent of this measure; and
- (2) Requiring that a certified copy of this concurrent resolution be transmitted to the Director of Transportation.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 225, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 225, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Takumi.

**SCRep. 1760 Legislative Management on H.R. No. 106**

The purpose of this resolution is to enhance the visitor's experience when touring the State Capitol by requesting the Office of the Governor to determine the feasibility of establishing a Capitol gift shop in the State Capitol building.

The State Representative from the 38<sup>th</sup> District testified in support of this measure.

Your Committee has amended this measure by:

- (1) Requesting that the report be submitted to the 2008 Legislature; and
- (2) Making technical, nonsubstantive amendments for 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 concurs with the intent and purpose of H.R. No. 106, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 106, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1761 Legislative Management on H.C.R. No. 132**

The purpose of this concurrent resolution is to enhance the visitor's experience when touring the State Capitol by requesting the Office of the Governor to determine the feasibility of establishing a Capitol gift shop in the State Capitol building.

The State Representative from the 38<sup>th</sup> District testified in support of this measure.

Your Committee has amended this measure by:

- (1) Requesting that the report be submitted to the 2008 Legislature; and
- (2) Making technical, nonsubstantive amendments for 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 concurs with the intent and purpose of H.C.R. No. 132, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 132, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1762 International Affairs on S.C.R. No. 39**

The purpose of this concurrent resolution is to request enactment of the Filipino American Veterans Equity Act of 2007, or similar legislation that provides federal veterans benefits and services to Filipino World War II veterans.

The WWII Fil-Am Veterans, Hawaii Chapter, testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to, "REQUESTING ENACTMENT OF THE FILIPINO AMERICAN VETERANS EQUITY ACT OF 2007, OR SIMILAR LEGISLATION THAT PROVIDES FEDERAL VETERANS BENEFITS AND SERVICES TO FILIPINO WORLD WAR II VETERANS";
- (2) Removing references to congressional bill numbers; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, as amended herein, and recommends that it be referred to the Committee on Public Safety & Military Affairs in the form attached hereto as S.C.R. No. 39, H.D. 1.

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

**SCRep. 1763 International Affairs on S.C.R. No. 47**

The purpose of this concurrent resolution is to request the President of the United States and Congress to support the Filipino Veterans Equity Act of 2007, which would make health benefits available to qualified Filipino veterans.



The WWII Fil-Am Veterans, Hawaii Chapter, testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to, "REQUESTING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO SUPPORT THE FILIPINO VETERANS EQUITY ACT OF 2007";
- (2) Removing reference to specific congressional bill numbers; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47, as amended herein, and recommends that it be referred to the Committee on Public Safety & Military Affairs in the form attached hereto as S.C.R. No. 47, H.D. 1.

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

**SCRep. 1764 Higher Education on H.C.R. No. 144**

The purpose of this concurrent resolution is to request that the University of Hawaii (UH) implement a system wide senior citizen visitor program for senior citizen students.

A concerned citizen testified in support of this measure. The UH provided oral testimony and offered comments.

Upon consideration of the testimony received and pursuant discussion, your Committee has amended this measure by:

- (1) Requesting the UH to perform a feasibility study for implementing a system wide senior citizen visitor program for senior citizen students;
- (2) Requesting that the study include consideration of provisions for system wide dissemination of information about the program;
- (3) Changing the title of this concurrent resolution to read: "REQUESTING THE UNIVERSITY OF HAWAII SYSTEM TO PERFORM A FEASIBILITY STUDY FOR IMPLEMENTING A SYSTEMWIDE SENIOR CITIZEN VISITOR PROGRAM FOR SENIOR CITIZEN STUDENTS"; 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 144, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 144, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Cabanilla, Saiki, Shimabukuro and Finnegan.

**SCRep. 1765 Energy & Environmental Protection on H.R. No. 101**

The purpose of this resolution is to promote effective, long-term management of Hawaii's natural resources by urging the Governor to proclaim the last week in July of each year as "Conservation Week."

The Department of Land and Natural Resources, The Nature Conservancy, and several concerned individuals submitted testimony in support of this resolution.

Your Committee finds that Conservation Week this year will include the three-day 15<sup>th</sup> Annual Hawaii Conservation Conference, "My Hawaii" Winners Nature Writers' Workshop, Conservation Film Festival, and Conservation Art Show. These events will bring together local, national, and international leaders, scientists, and conservation managers, and the public to discuss the most current and pertinent conservation issues of Hawaii and the Pacific region. Your Committee further finds that declaring the week to be Conservation Week will increase the public's awareness and involvement in preserving Hawaii's extremely limited and fragile environment.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 101 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Saiki and Thielen.

**SCRep. 1766 Energy & Environmental Protection on H.C.R. No. 127**

The purpose of this concurrent resolution is to promote effective, long-term management of Hawaii's natural resources by urging the Governor to proclaim the last week in July of each year as "Conservation Week."

The Department of Land and Natural Resources, The Nature Conservancy, and several concerned individuals submitted testimony in support of this concurrent resolution.

Your Committee finds that Conservation Week this year will include the three-day 15<sup>th</sup> Annual Hawaii Conservation Conference, "My Hawaii" Winners Nature Writers' Workshop, Conservation Film Festival, and Conservation Art Show. These events will bring together local, national, and international leaders, scientists, and conservation managers, and the public to discuss the most current and pertinent conservation issues of Hawaii and the Pacific region. Your Committee further finds that declaring the week to be Conservation Week will increase the public's awareness and involvement in preserving Hawaii's extremely limited and fragile environment.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 127 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Saiki and Thielen.

**SCRep. 1767 Energy & Environmental Protection on H.R. No. 95**

The purpose of this resolution is to remedy the noxious odor of hydrogen sulfide emanating from the East Honolulu Sewage Treatment Plant by requesting the Department of Health (DOH) to review the existing ambient air standards for hydrogen sulfide emissions and requesting the Public Utilities Commission (PUC) to require the treatment plant to strictly comply with odor standards and further control hydrogen sulfide emissions and odors.

A concerned individual submitted testimony in support of this resolution. The Hawaii Agricultural Research Center, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., and Gay & Robinson, Inc., opposed this measure. PUC commented on this resolution.

Your Committee finds that hydrogen sulfide emissions are a statewide concern, rather than site specific to the Ka Iwi coastline between Makapuu and Hanauma Bay on the island of Oahu. Further, the monitoring and regulation of hydrogen sulfide emissions are more appropriately within the scope of DOH, rather than PUC. Accordingly, your Committee has amended this resolution by:

- (1) Changing its title to read as follows:  
"REQUESTING A REVIEW OF AMBIENT AIR STANDARDS FOR HYDROGEN SULFIDE EMISSIONS TO SUSTAIN AND PROTECT THE NATURAL BEAUTY AND AIR QUALITY OF THE STATE";
- (2) Deleting all matters referencing the PUC, East Honolulu Treatment Plant, Hawaii American Water Works, and the Ka Iwi shoreline;
- (3) Adding a discussion relating to the development and establishment of the current ambient air quality standard; and
- (4) Reducing the number of transmittees of this resolution to only the Director of Health.

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 Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 95, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 95, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Saiki and Thielen.

**SCRep. 1768 Energy & Environmental Protection on H.C.R. No. 121**

The purpose of this concurrent resolution is to remedy the noxious odor of hydrogen sulfide emanating from the East Honolulu Sewage Treatment Plant by requesting the Department of Health (DOH) to review the existing ambient air standards for hydrogen sulfide emissions and requesting the Public Utilities Commission (PUC) to require the treatment plant to strictly comply with odor standards and further control hydrogen sulfide emissions and odors.

A concerned individual submitted testimony in support of this concurrent resolution. The Hawaii Agricultural Research Center, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., and Gay & Robinson, Inc., opposed this measure. PUC commented on this concurrent resolution.

Your Committee finds that hydrogen sulfide emissions are a statewide concern, rather than site specific to the Ka Iwi coastline between Makapuu and Hanauma Bay on the island of Oahu. Further, the monitoring and regulation of hydrogen sulfide emissions are more appropriately within the scope of DOH, rather than PUC. Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing its title to read as follows:  
"REQUESTING A REVIEW OF AMBIENT AIR STANDARDS FOR HYDROGEN SULFIDE EMISSIONS TO SUSTAIN AND PROTECT THE NATURAL BEAUTY AND AIR QUALITY OF THE STATE";
- (2) Deleting all matters referencing the PUC, East Honolulu Treatment Plant, Hawaii American Water Works, and the Ka Iwi shoreline;
- (3) Adding a discussion relating to the development and establishment of the current ambient air quality standard; and
- (4) Reducing the number of transmittees of this concurrent resolution to only the Director of Health.

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 Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 121, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 121, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Saiki and Thielen.

**SCRep. 1769 Health on H.C.R. No. 33**

The purpose of this concurrent resolution is to address physical, social, environmental, and mental health issues that concern the maternal and child health populations.

Specifically, this measure requests the Department of Health to study the impact of gentle childbirth practices, adult wellness education, domestic harmony, physical touch, and birth trauma on reducing public policy concerns such as substance and alcohol abuse, domestic violence, and obesity.

Oahu VOICES submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that the health and well-being of an unborn child is linked to the health and well-being of the mother. Your Committee also finds that the developmental needs of individuals from conception through early infancy are affected by gestational environments, birthing practices, education and awareness of wellness and domestic harmony, and healing and physical contact.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33 and recommends its adoption.

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

**SCRep. 1770 Economic Development & Business Concerns on H.R. No. 60**

The purpose of this resolution is to join individuals, organizations, and governments worldwide in adopting a vision of sustainable development by endorsing the Earth Charter and urging the Governor, the mayors and county councils, and the Hawaii 2050 Sustainability Task Force to adopt and utilize the Earth Charter as part of a framework for sustainable planning.

The Dr. Martin Luther King, Jr. Coalition – Hawaii, and several concerned individuals supported this resolution. A concerned individual opposed this measure.

Your Committee finds that the Earth Charter was first adopted by the Earth Charter Commission at the United Nations Educational, Scientific and Cultural Organization headquarters in 2000. It is a recognition of the shared responsibility of all citizens of the Earth for the present and future well-being of the human family and the larger living world, and a declaration of fundamental principles for building a just, sustainable, and peaceful global society in the 21st century.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 60 and recommends its adoption.

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

**SCRep. 1771 Economic Development & Business Concerns on H.C.R. No. 84**

The purpose of this concurrent resolution is to join individuals, organizations, and governments worldwide in adopting a vision of sustainable development by endorsing the Earth Charter and urging the Governor, the mayors and county councils, and the Hawaii 2050 Sustainability Task Force to adopt and utilize the Earth Charter as part of a framework for sustainable planning.

The Dr. Martin Luther King, Jr. Coalition – Hawaii, and several concerned individuals supported this concurrent resolution. A concerned individual opposed this measure.

Your Committee finds that the Earth Charter was first adopted by the Earth Charter Commission at the United Nations Educational, Scientific and Cultural Organization headquarters in 2000. It is a recognition of the shared responsibility of all citizens of the Earth for the present and future well-being of the human family and the larger living world, and a declaration of fundamental principles for building a just, sustainable, and peaceful global society in the 21st century.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 84 and recommends its adoption.

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

**SCRep. 1772 Economic Development & Business Concerns on H.R. No. 63**

The purpose of this resolution is to protect states' rights in the establishment of trade agreements by requesting the United States Congress to replace the Fast Track Trade Authority system (Fast Track) with a system that requires the prior informed consent of state legislatures before states are bound to the nontariff terms of any trade agreement that affects state regulatory authority.

Public Citizen, the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and the Hawaii State AFL-CIO supported this concurrent resolution.

Your Committee finds that Fast Track is a procedural device established by former President Nixon which allows the executive branch to negotiate and sign agreements and write conforming federal legislation while excluding a meaningful role for Congress, the public, and state and local officials affected by the agreements. The current grant of Fast Track Trade Authority expires in July 2007. This resolution seeks replacement of Fast Track with a more democratic and accountable trade negotiation process.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63 and recommends its adoption.

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

**SCRep. 1773 Economic Development & Business Concerns on H.C.R. No. 87**

The purpose of this concurrent resolution is to protect states' rights in the establishment of trade agreements by requesting the United States Congress to replace the Fast Track Trade Authority system (Fast Track) with a system that requires the prior informed consent of state legislatures before states are bound to the nontariff terms of any trade agreement that affects state regulatory authority.

Public Citizen, the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and the Hawaii State AFL-CIO supported this concurrent resolution.

Your Committee finds that Fast Track is a procedural device established by former President Nixon which allows the executive branch to negotiate and sign agreements and write conforming federal legislation while excluding a meaningful role for Congress, the public, and state and local officials affected by the agreements. The current grant of Fast Track Trade Authority expires in July 2007. This concurrent resolution seeks replacement of Fast Track with a more democratic and accountable trade negotiation process.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87 and recommends its adoption.

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

**SCRep. 1774 Judiciary on S.B. No. 1063**

The purpose of this bill is to require the Governor, in filling legislative vacancies in the State Senate, State House of Representatives, and United States Senate, to select from a list of three prospective appointees nominated by the political party of the prior incumbent. The prospective appointees must be registered members of the nominating political party at the time of submission of the list.

The League of Women Voters of Hawaii, Hawaii State Teachers Association, and the State Democratic Party testified in support of this bill. The Department of the Attorney General provided comments.

Your Committee strongly agrees that it is important to the people of our state that every legislative vacancy is filled in a manner that is more consistent and predictable than has been the practice in recent years, and that results in an appointee who is likely to represent the interests of constituents in a manner similar to that of the prior incumbent.

Your Committee has amended this measure to more closely reflect the contents of House Bill No. 304, H.D. 1. Specifically, your Committee has revised this measure to require every appointee to the offices of United States Senator, State Senator, and State Representative vacancies to:

- (1) Have been a member of the same political party as the prior incumbent for at least the six-month period immediately preceding the appointment; and
- (2) Be, at the time of appointment, a resident of the same electoral district as the prior incumbent.

Your Committee finds that registration is no longer applicable to party membership. Therefore, this bill has also been amended by deleting the requirement that an appointee be a "registered" member of the same political party as the prior incumbent.

Your Committee also made 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. 1063, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1063, 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, Luke, McKelvey, Sonson, Souki, Yamashita and Thielen. (Representatives Marumoto and Pine voted no.)

**SCRep. 1775 Consumer Protection & Commerce on S.B. No. 1287**

The purpose of this bill is to provide motor carriers greater flexibility in performing required safety inspections by repealing the requirement that the annual safety inspection for a motor carrier vehicle be completed during the month in which the vehicle's registration is issued.

The Department of Transportation; Department of Customer Services of the City and County of Honolulu; Hawaii Transportation Association; Horizon Lines, LLC.; Alexander & Baldwin, Inc.; and Matson Navigation Company testified in support of this bill.

Your Committee finds that companies using motor carrier vehicles have experienced logistical problems in meeting the current law requiring annual safety inspections to be conducted in the same month as the registration renewal for the vehicle. In some instances, these vehicles may be out-of-state or in the possession of customers when the vehicle's registration is due, necessitating additional costs when these vehicles must be transported back to the company for a safety inspection. This bill addresses this issue by requiring safety inspections to be completed annually, without regard to when the vehicle's registration is issued.

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. 1287, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, Ito, Morita, Sonson, Yamane and Yamashita.

**SCRep. 1776 Judiciary on S.B. No. 1697**

The purpose of this bill is to ensure that the original intent of Act 119, Session Laws of Hawaii 2004, the Contractor Repair Act, in Chapter 672E, Hawaii Revised Statutes, is implemented by amending the definition of "contractor" to exclude persons who are only engaged in selling a dwelling and include "owner-builders" who in addition to selling or leasing a dwelling also design, manufacture, supply products for, or develop or construct the dwelling.

The Real Estate Commission, Building Industry Association of Hawaii, Hawaii Association of Realtors, and Subcontractors Association of Hawaii supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1697, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey and Thielen.

**SCRep. 1777 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1816**

The purpose of this bill is to preserve and protect the Kohala Historic Sites State Monument (Monument) by requiring:

- (1) The Department of Land and Natural Resources (DLNR) to consult with the kahuna nui of the Mo'okini Heiau prior to making alterations or improvements to the Monument, including the Mo'okini Heiau, except for routine maintenance; and
- (2) Any additional organized profit-making venture involving the Monument, including the Mo'okini Heiau, to consult with the kahuna nui of the Mo'okini Heiau.

The Kahuna Nui of the Mo'okini Heiau and a concerned individual testified in support of this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Department of Land and Natural Resources and the Mayor of the County of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1816, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1778 Consumer Protection & Commerce on S.B. No. 55**

The purpose of this bill is to update the licensing requirements for dentists by repealing statutory provisions that provided a means for the State to license dentists prior to the availability of the American Board of Dental Examiners (ADEX) examination.

The Board of Dental Examiners, Hawaii Dental Association, and a concerned individual testified in support of this bill.

Your Committee finds that between February 2004, and December 2005, there was no dental license examination for the State to administer to applicants. As a result, section 448-9.4, Hawaii Revised Statutes, currently provides that an applicant who has passed a regional examination after February 1, 2004, but prior to the availability of the ADEX examination, will be deemed to have met the examination requirement for licensing. This provision is no longer necessary as the ADEX examination is currently available and administered to Hawaii applicants.

Your Committee has amended this measure by having it take effect upon its approval.

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. 55, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Green, Ito, Morita, Sonson, Yamane and Yamashita.

**SCRep. 1779 Judiciary on S.B. No. 784**

The purpose of this bill is to improve Hawaii's provisional driver licensing law by clarifying that when a minor is convicted of, or a minor's license is revoked for, a violation of Hawaii's provisional driver licensing law, the minor need not provide proof of financial responsibility.

The Office of the Public Defender, City and County of Honolulu, and MADD-Hawaii testified in support of this bill.

Your Committee has amended this bill by changing the effective date to be effective upon 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 S.B. No. 784, 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. 784, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey and Thielen.

**SCRep. 1780 Judiciary on S.B. No. 1675**

The purpose of this bill is to strengthen the law pertaining to the use of automated external defibrillators by:

- (1) Changing the term from automatic external defibrillator to automated external defibrillator; and
- (2) Providing immunity from liability to any individual who administers an automated external defibrillator in a good faith attempt to resuscitate another person in immediate danger of loss of life, instead of providing immunity only to those who have successfully completed a training program.

The Department of Health, Hawaii Division of the AED Institute, and the American Heart Association 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. 1675, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1675, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey and Thielen.

**SCRep. 1781 Judiciary on S.B. No. 1047**

The purpose of the bill is to allow persons who are 19 years-of-age or older, and who meet certain requirements, to qualify for a commercial driver's license (CDL) to transport intrastate commerce.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association. The Department of the Attorney General, Department of Transportation (DOT), and the Honolulu Police Department opposed this measure.

Your Committee finds that safety concerns raised by DOT can be addressed by requiring training administered by DOT. DOT also raised concerns that this measure did not include a federal requirement that persons with CDLs cannot have available deferred pleas to traffic violations.

Your Committee has amended this bill by:

- (1) Requiring a person to complete a training program administered by DOT to qualify for a CDL;
- (2) Inserting the contents of House Bill No. 1426, which prohibit the deferred acceptance of a guilty or no contest plea from an individual who holds a commercial driver's license and is charged with a traffic violation, other than a parking violation; and
- (3) Making technical, nonsubstantive changes for style, clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1047, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1047, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey and Thielen.

**SCRep. 1782 Human Services & Housing on H.R. No. 276**

The purpose of this resolution is to prevent abandonment of babies by urging the Department of Human Services (DHS) to support Project Cuddle and assess the feasibility of advertising its hotline.

The Representative of the 27<sup>th</sup> District and a concerned individual testified in support of this resolution. DHS supported the intent of this measure.

Your Committee has amended this resolution by:

- (1) Removing a reference to the name of an individual;
- (2) Recognizing that approximately 20,000 babies are abandoned each year;
- (3) Noting the hotline number, 1-88-TO-CUDDLE; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 276, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 276, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1783 Human Services & Housing on H.C.R. No. 344**

The purpose of this concurrent resolution is to prevent abandonment of babies by urging the Department of Human Services (DHS) to support Project Cuddle and assess the feasibility of advertising its hotline.

The Representative of the 27<sup>th</sup> District and a concerned individual testified in support of this concurrent resolution. DHS supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Removing a reference to the name of an individual;
- (2) Recognizing that approximately 20,000 babies are abandoned each year;

- (3) Noting the hotline number, 1-88-TO-CUDDLE; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 344, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 344, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Bertram, Cabanilla and Takai.

**SCRep. 1784 Labor & Public Employment on H.R. No. 268**

The purpose of this measure is to request that the Hawaii Housing Finance and Development Corporation (HHFDC), in collaboration with the Department of Business, Economic Development and Tourism (DBEDT), conduct a study on housing for essential workers such as police officers, teachers, firefighters, and other emergency personnel.

The Department of Business, Economic Development and Tourism and the Hawaii Housing Finance and Development Corporation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 268, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Lee, Luke, Takamine, Takumi and Meyer.

**SCRep. 1785 Labor & Public Employment on H.C.R. No. 333**

The purpose of this measure is to request that the Hawaii Housing Finance and Development Corporation (HHFDC), in collaboration with the Department of Business, Economic Development and Tourism (DBEDT), conduct a study on housing for essential workers such as police officers, teachers, firefighters, and other emergency personnel.

The Department of Business, Economic Development and Tourism and the Hawaii Housing Finance and Development Corporation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 333, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Lee, Luke, Takamine, Takumi and Meyer.

**SCRep. 1786 Energy & Environmental Protection on H.R. No. 39**

The purpose of this resolution is to protect the water quality of, and thereby the aquatic life in, the Hawaiian Islands Humpback Whale National Marine Sanctuary (Whale and Marine Sanctuary) by requesting United States government agencies to prohibit the dumping of vessel sewage within the boundaries of the Whale Marine Sanctuary by creating a no-discharge zone and requiring federal agencies to adopt necessary regulations.

The Cetacea Defence Organisation-United Kingdom and numerous concerned individuals submitted testimony in support of this resolution. The Department of Land and Natural Resources (DLNR) supported the intent of this measure.

Your Committee finds that:

- (1) The economic implications to our tourism-based economy of;
- (2) The large number and diversity of users and uses of; and
- (3) The critical habitats, such as the breeding ground of the endangered North Pacific humpback whale, and complex ecosystems of marine life populations within;

Hawaii's ocean resources require that the ocean area where vessels are prohibited from dumping sewage be expanded beyond the boundaries of the Whale and Marine Sanctuary. Accordingly, your Committee has amended this resolution by:

- (1) Changing its title to read as follows:  
"REQUESTING ALL BRANCHES OF THE UNITED STATES GOVERNMENT TO PROHIBIT DUMPING OF VESSEL SEWAGE IN FEDERAL WATERS IN THE VICINITY OF THE HAWAIIAN ISLANDS HUMPBACK WHALE NATIONAL MARINE SANCTUARY;"
- (2) Requesting the United States Congress to prohibit the dumping of vessel sewage, not only in the Whale and Marine Sanctuary, but also in federal waters in the vicinity of the Hawaiian islands;
- (3) Clarifying that Maui County provides reimbursements to vessel operators for pumping sewage from their vessels at Maalaea Harbor via mobile pump trucks for land-based treatment;
- (4) Clarifying that the permanent sewage treatment facilities at certain harbors provided by the State are land-based facilities; and
- (5) Requesting the Division of Boating and Ocean Recreation of DLNR to develop a plan to implement the use of "pump-don't dump" stations for the disposal of vessel sewage at land-based sewage treatment facilities.

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 Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 39, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 39, H.D. 1.

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

**SCRep. 1787 Energy & Environmental Protection on H.C.R. No. 58**

The purpose of this concurrent resolution is to protect the water quality of, and thereby the aquatic life in, the Hawaiian Islands Humpback Whale National Marine Sanctuary (Whale and Marine Sanctuary) by requesting United States government agencies to prohibit the dumping of vessel sewage within the boundaries of the Whale and Marine Sanctuary by creating a no-discharge zone and requiring federal agencies to adopt necessary regulations.

The Cetacea Defence Organisation-United Kingdom and numerous concerned individuals submitted testimony in support of this concurrent resolution. The Department of Land and Natural Resources (DLNR) supported the intent of this measure.

Your Committee finds that:

- (1) The economic implications to our tourism-based economy of;
- (2) The large number and diversity of users and uses of; and
- (3) The critical habitats, such as the breeding ground of the endangered North Pacific humpback whale, and complex ecosystems of marine life populations within;

Hawaii's ocean resources require that the ocean area where vessels are prohibited from dumping sewage be expanded beyond the boundaries of the Whale and Marine Sanctuary. Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing its title to read as follows:  
"REQUESTING ALL BRANCHES OF THE UNITED STATES GOVERNMENT TO PROHIBIT DUMPING OF VESSEL SEWAGE IN FEDERAL WATERS IN THE VICINITY OF THE HAWAIIAN ISLANDS HUMPBACK WHALE NATIONAL MARINE SANCTUARY;"
- (2) Requesting the United States Congress to prohibit the dumping of vessel sewage, not only in the Whale and Marine Sanctuary, but also in federal waters in the vicinity of the Hawaiian islands;
- (3) Clarifying that Maui County provides reimbursements to vessel operators for pumping sewage from their vessels at Maalaea Harbor via mobile pump trucks for land-based treatment;
- (4) Clarifying that the permanent sewage treatment facilities at certain harbors provided by the State are land-based facilities; and
- (5) Requesting the Division of Boating and Ocean Recreation of DLNR to develop a plan to implement the use of "pump-don't dump" stations for the disposal of vessel sewage at land-based sewage treatment facilities.

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 Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 58, H.D. 1.

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

**SCRep. 1788 Energy & Environmental Protection on H.C.R. No. 265**

The purpose of this concurrent resolution is to promote and preserve Hawaii's unique natural environment by encouraging and supporting the nomination and designation of the Northwestern Hawaiian Islands Marine National Monument, Papahānaumokuākea, as a World Heritage Site.

The Department of Land and Natural Resources, Ocean Law & Policy Institute of the Pacific Forum, and several concerned individuals supported this measure.

Your Committee finds that Papahānaumokuākea is an irreplaceable habitat that supports unique and fragile ecosystems containing numerous threatened and endangered wildlife species, including ancient coral reefs. Preservation of this monument is vital to promoting and ensuring biodiversity on a global scale. In addition, Papahānaumokuākea also possesses exceptional value as a cultural site. Its cultural legacy and heritage spans several centuries of native Hawaiian history, as ancestral native Hawaiians explored the vast Pacific Ocean. No other site listed as a World Heritage Site is comparable to the mixed cultural and environmental significance of Papahānaumokuākea.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 265 and recommends its adoption.

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

**SCRep. 1789 Judiciary on S.B. No. 1956**

The purpose of this bill is to improve the voting process for presidential elections by adopting an interstate compact that requires member states to determine the winner of a presidential election by popular vote.

The Center for Voting and Democracy and National Popular Vote! supported this bill. Several concerned individuals opposed this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1956 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey and Thielen.

**SCRep. 1790 Consumer Protection & Commerce on S.B. No. 1010**

The purpose of this bill is to amend the requirements for obtaining a certified public accountant license by eliminating private or government accounting or auditing work as a substitute for experience in public accountancy practice required for licensure.

The Hawaii Association of Public Accountants and numerous concerned individuals testified in support of this bill. The Department of Taxation, Office of the Auditor, Board of Public Accountancy, Hawaii Society of Certified Public Accountants, and numerous individuals opposed 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. 1010, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

(Representatives Ito, Luke, Morita, Sonson, Yamane and Marumoto voted no.)

**SCRep. 1791 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 58**

The purpose of this resolution is to proclaim April 30 of every year as "Hawaiian Restoration Day," a day to recognize and acknowledge the historical and educational contributions of President Grover Cleveland's work for the people of Hawaii and America today and for the future.

The Christian Voice of Hawaii, Dr. Martin Luther King, Jr. Coalition-Hawaii, Pacific Justice and Reconciliation Center, and a concerned individual testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 58 and recommends its adoption.

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

**SCRep. 1792 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 82**

The purpose of this concurrent resolution is to proclaim April 30 of every year as "Hawaiian Restoration Day," a day to recognize and acknowledge the historical and educational contributions of President Grover Cleveland's work for the people of Hawaii and America today and for the future.

The Christian Voice of Hawaii, Dr. Martin Luther King, Jr. Coalition-Hawaii, Pacific Justice and Reconciliation Center, and a concerned individual testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 82 and recommends its adoption.

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

**SCRep. 1793 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 233**

The purpose of this resolution is to recognize and designate the Nuuanu-Liliha corridor as the Nuuanu-Liliha historic corridor.

The Department of Land and Natural Resources, Daughters of Hawaii, Hawaii Capital Cultural District, Hawaii Theater Center, and several concerned individuals testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 233 and recommends its adoption.

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

**SCRep. 1794 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 292**

The purpose of this concurrent resolution is to recognize and designate the Nuuanu-Liliha corridor as the Nuuanu-Liliha historic corridor.

The Department of Land and Natural Resources, Daughters of Hawaii, Hawaii Capital Cultural District, Hawaii Theater Center, and several concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 292 and recommends its adoption.

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

**SCRep. 1795 International Affairs/Health on H.R. No. 103**

The purpose of this resolution is to request Hawaii's Congressional Delegation to support the Global Democracy Promotion Act, which would repeal the "Global Gag Rule," and release funds for international family planning programs.

The Healthy Mothers Healthy Babies Coalition of Hawaii and a concerned individual testified in support of this resolution.

As affirmed by the records of votes of the members of your Committees on International Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 103 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Takai, Awana and Ward.

**SCRep. 1796 International Affairs/Health on H.C.R. No. 129**

The purpose of this concurrent resolution is to request Hawaii's Congressional Delegation to support the Global Democracy Promotion Act, which would repeal the "Global Gag Rule," and release funds for international family planning programs.

The Healthy Mothers Healthy Babies Coalition of Hawaii and a concerned individual testified in support of this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on International Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 129 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Mizuno, Takai, Awana and Ward.

**SCRep. 1797 Energy & Environmental Protection on H.R. No. 221**

The purpose of this resolution is to encourage the development of renewable energy projects that increase the availability of renewable energy resources and decrease Hawaii's dependency on imported fossil fuels. Specifically, this resolution requests the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a study on the feasibility of creating a one-stop permit shop for renewable energy projects to expedite the permit process.

Castle & Cooke Hawaii and UPC Hawaii Wind Partners, LLC, testified in support of this resolution. DBEDT, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Hawaii Energy Policy Forum supported the intent of this resolution.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 221 and recommends its adoption.



Signed by all members of the Committee except Representatives Magaoay, Morita and Saiki.

**SCRep. 1798 Energy & Environmental Protection on H.C.R. No. 280**

The purpose of this concurrent resolution is to encourage the development of renewable energy projects that increase the availability of renewable energy resources and decrease Hawaii's dependency on imported fossil fuels. Specifically, this measure requests the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a study on the feasibility of creating a one-stop permit shop for renewable energy projects to expedite the permit process.

Castle & Cooke Hawaii and UPC Hawaii Wind Partners, LLC, testified in support of this concurrent resolution. DBEDT, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Hawaii Energy Policy Forum supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 280 and recommends its adoption.

Signed by all members of the Committee except Representatives Magaoay, Morita and Saiki.

**SCRep. 1799 Health on H.R. No. 232**

The purpose of this concurrent resolution is to execute the mission of the World Health Organization (WHO) of all peoples attaining the highest possible level of health by requesting WHO to confer "observer status" upon Taiwan in order to permit Taiwan's participation in WHO's programs and activities.

Several concerned individuals supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 232 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 1800 Health on H.C.R. No. 291**

The purpose of this concurrent resolution is to execute the mission of the World Health Organization (WHO) of all peoples attaining the highest possible level of health by requesting WHO to confer "observer status" upon Taiwan in order to permit Taiwan's participation in WHO's programs and activities.

Several concerned individuals supported this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 291 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 1801 Consumer Protection & Commerce on S.B. No. 170**

The purpose of this bill is to enhance Hawaii's ability to attract and retain captive insurance companies by, among other things:

- (1) Clarifying the minimum capital and surplus requirements for captive insurance companies;
- (2) Allowing captive insurance companies to form as limited liability companies; and
- (3) Increasing the flexibility of investments by pure captive insurance companies.

The Department of Commerce and Consumer Affairs testified in support of the intent of this bill. A concerned individual supported this measure with amendments.

Your Committee finds that this bill seeks to ensure that Hawaii remains competitive in attracting and maintaining captive insurance companies.

Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, the Insurance Commissioner to designate the Captive Insurance Administrator (Administrator) as a deputy commissioner;
- (2) Specifying that the Administrator must be appointed from the pool of existing employees of the Insurance Commissioner;
- (3) Clarifying that the Administrator's designation as a deputy commissioner does not affect the Administrator's exemption from the civil service law; and
- (4) 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. 170, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 170, 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, Green, Luke and Thielen.

**SCRep. 1802 Consumer Protection & Commerce on S.B. No. 1410**

The purpose of this bill is to incorporate the recommendations of the National Association of Insurance Commissioners to conform Hawaii's insurance laws with national standards regarding:

- (1) Long-term care insurance; and
- (2) The sharing of information with foreign insurance regulatory agencies by the Insurance Commissioner to facilitate the regulation of the insurance industry.

The Department of Commerce and Consumer Affairs testified in support of this bill. The National Association of Insurance and Financial Advisors supported the intent of this measure. The American Council of Life Insurers supported this bill with amendments. The Hawaii Medical Service Association submitted comments.

Your Committee has amended this measure by, among other things:

- (1) Authorizing the Insurance Commissioner, pursuant to the federal Military Personnel Financial Services Protection Act, to protect service members of the U.S. Armed Forces by adopting rules declaring certain life insurance practices to be false, misleading, deceptive, or unfair;
- (2) Providing that effective one year after the enactment of state legislation establishing a Long-term Care Partnership Program pursuant to the federal Deficit Reduction Act of 2005, insurance producers selling, soliciting, or negotiating long-term care insurance must complete mandatory training;
- (3) Allowing telephonic enrollment for group long-term care policies;
- (4) Clarifying the provisions regarding long-term care insurance nonforfeiture benefits and triggers for contingent benefits;
- (5) Changing the effective date to July 1, 2007; and
- (6) 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. 1410, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1410, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1803 Consumer Protection & Commerce on S.B. No. 1704**

The purpose of this bill is to amend Chapter 514A, Hawaii Revised Statutes (HRS), by reenacting parts I, V, and VII, of chapter 514A that were previously repealed by Act 164, Session Laws of Hawaii 2004.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium & Cooperative Owners, Community Associations Institute, Hawaii Chapter, and the Hawaii Association of Realtors. The Department of Taxation and the Real Estate Commission's Condominium Review Committee submitted comments.

Your Committee finds that Act 213, Session Laws Hawaii 2000, and Act 131, Session Laws Hawaii 2003, required the Real Estate Commission to review Chapter 514A, make findings and recommendations for the recodification of that chapter, and submit legislation consistent with its review to the Legislature. The recodified condominium law was submitted and subsequently enacted as Act 164, Session Laws of Hawaii 2004, Act 93, Session Laws of Hawaii 2005, and Act 273, Session Laws of Hawaii 2006, as Chapter 514B, HRS. However, parts I, V and VII of Chapter 514A were inadvertently repealed during the process. This has made it more difficult for members of associations of apartment owners, boards, and others in the condominium business created prior to July 1, 2006, to understand and discern exactly what laws and rights are applicable to them.

Your Committee has amended this measure by deleting its contents and inserting in its place the substance of H.B. No. 1627, H.D. 1. The practical effect of this amendment is to:

- (1) Delete the amendments being made to sections 514A-14.5(c) and 514A-108(a), Hawaii Revised Statutes; and
- (2) Make a number of technical nonsubstantive changes in terms of style, formatting, and font.

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. 1704, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1704, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1804 Judiciary on S.B. No. 1229**

The purpose of this bill is to deter copper theft by requiring scrap dealers to include a thumbprint in the required identification statement of all persons redeeming copper and to maintain a record of transactions in copper.

The Honolulu Police Department testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Maui Electric Company, and Reynolds Recycling supported the intent of this measure. The Department of the Attorney General supported this bill with amendments. Schnitzer Steel Hawaii Corporation and Okuda Metal, Inc., opposed this measure.

Your Committee has amended this bill by deleting its contents and replacing it with the provisions of H.B. No. 373, S.D. 1, with some technical amendments for clarity, consistency, and style.

As amended, this bill adds new requirements for the sale and purchase of copper by scrap dealers, including:

- (1) Requiring sellers of copper to provide a copy of a receipt or notarized statement verifying certain information;
- (2) Prohibiting a scrap dealer from purchasing copper if the seller cannot meet the requirements set forth in paragraph (1);
- (3) Requiring the scrap dealer to take a photograph of the copper being offered for sale;
- (4) Requiring the scrap dealer to either take a photograph of the copper seller or make a photocopy of the seller's valid photo identification card or license; and
- (5) Requiring that the scrap dealer keep certain information regarding their transactions on record that may be examined by law enforcement.

In addition, this measure provides for increased penalties for violations. The bill takes effect on January 1, 2012, but has a repeal date of July 1, 2009; at which time sections 445-233 and 445-235, Hawaii Revised Statutes, will be reenacted in the form in which they read on the day before the effective date.

As affirmed by the record of votes of 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. 1229, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1805                    Judiciary on S.B. No. 1665**

The purpose of this bill is to establish a new offense of aggravated cruelty to pet animals.

The Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Humane Society, Domestic Violence Clearinghouse, K-9, Animal Rescue League, Humane Society of the United States, Hawaii Dog Foundation, Lo'ihī Communications, and numerous concerned individuals supported this bill. The Office of the Public Defender, Animal CARE Foundation, and numerous concerned individuals opposed this measure. The Judiciary and Hawaii Pest Control Association submitted comments.

Your Committee finds that violence, whether against humans or animals, must not be tolerated in our community. Evidence suggests that there is a link between animal abuse and the commission of violent acts against humans. This bill will create a new class C felony for cruelty to animals. In addition to the class C penalty, any person convicted shall be ordered to attend counseling.

Your Committee understands that it may be appropriate to include a definition of the term "mutilate." Your Committee also takes note of concerns that certain cropping practices by farmers may be inadvertently prohibited by this measure.

Your Committee has amended this measure by, among other things:

- (1) Deleting the provisions establishing the felony offense of aggravated cruelty to pet animals;
- (2) Establishing a class C felony offense of cruelty to animals in the first degree for intentionally or knowingly torturing or mutilating, or causing the torture or mutilation, of any pet animal;
- (3) Renaming the existing misdemeanor offense of cruelty to animals to cruelty to animals in the second degree and clarifying this offense by, among other things:
  - (A) Reinserting the intentional and knowing states of mind into this offense;
  - (B) Deleting the provision specifying that transporting an animal in the back of a pick-up truck without appropriate restraint is an action that constitutes cruelty to animals; and
  - (C) Clarifying that certain actions that constitute the offense shall not apply to certain pest control operations conducted by a licensed pest control operator pursuant to a written contract;
- (4) Redefining "pet animal" in Chapter 711, Hawaii Revised Statutes (HRS), to mean a domesticated animal kept for personal enjoyment and companionship, legal sporting activities, guarding property, and for guide, signal, or service purposes; provided that poultry, game fish, and other aquatic life in captivity shall not be considered pet animals;
- (5) Redefining "poultry" in Chapter 163, HRS, to mean any domesticated bird belonging to the orders galiformes and anseriformes, and including chicken, duck, goose, and turkey;
- (6) Redefining "torment";
- (7) Changing its effective date to January 1, 2112, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for style, clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1665, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1806                    Finance on S.B. No. 1092**

The purpose of this bill is to extend the lapse date to June 30, 2008, for the \$40,000,000 that was appropriated for fiscal year 2006-2007 out of the State Educational Facilities Special Fund for public school repair and maintenance projects.

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 S.B. No. 1092 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1807                    Finance on S.B. No. 620**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds of up to \$50,000,000 to assist Hawaii Preparatory Academy with plans, construction, and improvement of its educational facilities.

The Hawaii Association of Independent Schools and Hawaii Preparatory Academy testified in support of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 620, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 620, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1808 Finance on S.B. No. 1372**

The purpose of this bill is to increase government efficiency by allowing state departments and agencies other than the Department of Budget and Finance (B&F) to enter directly into financing agreements for the construction of facilities and the leasing or purchase of equipment.

B&F 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 S.B. No. 1372, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1372, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1809 Finance on S.B. No. 1402**

The purpose of this bill is to promote the installation of wind resistive devices for homes by appropriating funds out of the Loss Mitigation Grant Fund to be used for the purposes of the Loss Mitigation Grant Program (Program).

The Department of Defense, Insurance Commissioner, Hawaii Lumber Products Association, and a concerned individual supported this bill.

Your Committee has amended this measure by:

- (1) Adding residential safe rooms to the list of items for which grants are awarded under the Program;
- (2) Making technical amendments to the definition of "wind resistive devices";
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1402, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1402, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Sagum, Tokioka and Meyer.

**SCRep. 1810 Finance on S.B. No. 1947**

The purpose of this bill is to make an emergency appropriation of \$10,000,000 out of the Deposit Beverage Container Deposit Special Fund for continued operation of the Deposit Beverage Container Program.

The 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 S.B. No. 1947, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1947, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1811 Finance on S.B. No. 1133**

The purpose of this bill is to:

- (1) Increase the rental motor vehicle surcharge tax from \$3 to \$4 per day;
- (2) Increase the tour vehicle surcharge tax; and
- (3) Appropriate funds from the State Highway Fund.

The Department of Transportation supported this bill with amendments. The Hertz Corporation, Dollar Rent A Car, Enterprise Rent-A-Car, Hawaii Transportation Association, Robert's Tours and Transportation, Inc., Royal Star Hawaii, PHT, Inc., Paradise Cruise, Ltd., AVIS, Budget, and Catrala-Hawaii opposed this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Reinstating the current tour vehicle surcharge taxes, instead of increasing them;
- (2) Removing the appropriation from the State Highway Fund;
- (3) Requiring the Legislative Reference Bureau to conduct a review of the State Highway Fund and report its findings to the Legislature 30 days prior to the convening of the Regular Session of 2008;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1133, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1133, S.D. 3, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka. (Representative Brower voted no.)

**SCRep. 1812 Finance on S.B. No. 1504**

The purpose of this bill is to:

- (1) Authorize the Department of Taxation (DOTAX) to adopt rules to require the electronic, telephonic, or optical filing of tax returns and other documents under certain conditions;
- (2) Prohibit DOTAX from charging a service fee for electronic, telephonic, or optical filing; and
- (3) Mandate DOTAX to determine alternative methods to verify tax documents other than by signature.

DOTAX testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting DOTAX's authority to mandate, by rule, electronic, telephonic, or optical filing of tax returns and other documents, and instead requiring that rules be adopted before allowing electronic, telephonic, or optical means of filing such documents;
- (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 S.B. No. 1504, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1504, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1813 Finance on S.B. No. 1839**

The purpose of this bill is to improve the Department of Taxation's (DOTAX's) tax collection efforts by:

- (1) Requiring DOTAX to enter into performance-based contracts to enhance or acquire automated tax systems for the implementation of the City and County of Honolulu's county surcharge on the general excise tax (GET) for mass transit;
- (2) Establishing the Integrated Tax Services and Management Special Fund to pay for the performance-based contracts and administrative and operating expenses related to the integrated tax services and management systems performance-based contracts and post-implementation revenue-generating initiatives; and
- (3) Providing funding for the performance-based contracts by allowing amounts retained from income, GET, and use tax collections to be deposited into the Integrated Tax Services and Management Special Fund.

DOTAX supported the intent of this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the provisions of House Bill No. 1412, H.D. 1, a measure that also assists DOTAX in its tax collection efforts.

As amended, this bill:

- (1) Establishes the Integrated Tax Information Management Systems Special Fund (Special Fund) to pay for performance-based contracts for the integrated tax information management systems and for administrative and operating expenses related to the integrated tax information management systems revenue-generating initiatives;
- (2) Provides funding for the performance-based contracts by allowing amounts retained from income, GET, and use tax collections to be deposited into the Special Fund;
- (3) Authorizes, instead of requires, DOTAX to enter into performance-based contracts to enhance or acquire automated tax systems;
- (4) Expands the scope of the performance-based contracts to include the implementation and administration of the taxes imposed under Title 14, Hawaii Revised Statutes, which includes, among others, the GET, income tax, use tax, transient accommodations tax, fuel tax, and conveyance tax;
- (5) Appropriates funds to be deposited into the Special Fund and used for its purposes;
- (6) Repeals Act 273, Session Laws of Hawaii 1996, which allows DOTAX to enter into performance-based contracts to acquire automated tax systems for the administration of taxes; and
- (7) Contains an effective date of July 1, 2007.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1839, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1839, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1814 Finance on S.B. No. 1882**

The purpose of this bill is to reduce the tax burden for resident taxpayers of Hawaii by establishing a food tax credit.

The Department of Taxation supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the provisions of House Bill No. 707, H.D. 1, with additional amendments. As amended, this bill establishes a refundable Food Tax Credit for certain resident taxpayers using a graduated tax credit schedule based on adjusted gross income.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1882, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1882, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1815 Finance on S.B. No. 148**

The purpose of this bill is to satisfy the Hawaii state constitutional requirement that taxpayers receive a tax credit or refund when the balance of the General Fund exceeds five percent of general revenues for each of two successive fiscal years.

The Department of Taxation supported the intent of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Inserting \$1, multiplied by the number of qualified exemptions, as the amount of the income tax credit; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 148, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 148, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1816 Judiciary on S.B. No. 1441**

The purpose of this bill is to ensure the safety of children in various types of child care settings by requiring child abuse and neglect registry checks of:

- (1) Prospective adoptive parents and all adults residing in prospective adoptive homes;
- (2) Any organization, institution, or foster boarding home, including all adults residing in the foster boarding home, as a condition for a certificate of approval; and
- (3) All operators and employees of child care institutions and child placing organizations.

This bill also requires criminal history record checks of all adults residing in foster and adoptive homes.

The Department of Human Services supported this bill.

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 S.B. No. 1441, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1441, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey and Thielen.

**SCRep. 1817 Consumer Protection & Commerce on S.B. No. 667**

The purpose of this bill is to provide for the licensing of qualified mental health services providers by:

- (1) Allowing substitute experience for the practicum intern and post-graduate experience required for mental health counselor licensure, for applicants who graduated from an accredited educational institution before July 1, 2007; and
- (2) Making the mental health counselor licensing program immediately permanent by repealing its sunset date of December 31, 2008.

Kaiser Permanente, Hawaii Rehabilitation Counseling Association, Rehabilitation Association of Hawaii, Case Management Works, Inc., Lokahi Treatment Centers, Sestak Rehabilitation Services, and numerous concerned individuals testified in support of this bill. The Alliance for Professional Counselor Licensure and numerous concerned individuals supported this measure with amendments. The Department of Commerce and Consumer Affairs opposed this bill.

Concerns were raised regarding the repeal of the sunset date for the mental health counselors licensing program, which would remove the program from the Auditor's sunset review process under Chapter 26H, Hawaii Revised Statutes, and immediately make the program permanent only about a year after this program was fully enacted with subsequent amendments. Your Committee received testimony noting that this provision contravenes the usual process of having new regulatory programs undergo the sunset review process three years after enactment to determine whether the program should be continued, modified, or allowed to expire.

Additionally, your Committee notes the concerns regarding the allowance of substitute experience for mental health counselor licensure. This provision is intended to provide for the licensure of applicants who were already in the process of fulfilling the licensure requirements when Act 14, Session Laws of Hawaii 2006, changed the requirements to mandate that practicum intern and post-graduate experience be supervised by certain licensed professionals.

Accordingly, your Committee has amended this measure by:

- (1) Restoring the sunset date of December 31, 2008, for the mental health counselor licensing program, to allow the program to undergo the sunset review process;
- (2) Clarifying that the requirement that clinical supervisors hold certain licenses does not apply to the practicum intern and post-graduate experience supervision requirements for applicants graduating from an accredited educational institution prior to July 1, 2007; and
- (3) 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. 667, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 667, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Morita, Yamane and Yamashita.

**SCRep. 1818 Consumer Protection & Commerce on S.B. No. 1988**

The purpose of this bill is to support the honey industry in Hawaii by establishing labeling requirements for the percentage of honey that was produced in Hawaii and authorizing a certification program.

The Department of Agriculture, Hawaii Beekeepers Association, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that it is a violation of the labeling requirement to label or advertise imported honey in a way that misrepresents its geographic origin; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1988, 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. 1988, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1819 Consumer Protection & Commerce on S.B. No. 1425**

The purpose of this bill is to ensure that an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster. Specifically, this measure:

- (1) Authorizes the Contractors License Board (Board) to issue emergency contractor's licenses to qualified out-of-state contractors;
- (2) Authorizes the Board to establish an Emergency Contractors Recovery Fund to assist in covering liability costs for persons injured as a result of work performed by a contractor that is issued an emergency license to perform necessary repairs and reconstruction work during a state of emergency or disaster;
- (3) Authorizes the Board to collect fees from applicants for an emergency contractor's license;
- (4) Requires a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (5) Requires that an applicant for an emergency contractor's license provide:
  - (A) Proof of workers' compensation, property damage, and liability insurance in an amount not less than \$300,000 per occurrence and \$600,000 in the aggregate;
  - (B) A current financial statement prepared by a certified public accountant;
  - (C) A credit report; and
  - (D) Proof of intent to pay any and all applicable state general excise taxes by means of a state tax clearance statement;
- (6) Clarifies that a contractor who is issued an emergency contractor's license is subject to requirements set by Hawaii's contractor laws under Chapter 444, Hawaii Revised Statutes; and
- (7) Specifies that an emergency contractor's license shall only be valid during the period that the emergency exists.

State Farm Insurance Company supported this bill. The Board and Subcontractors Association of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1820 Consumer Protection & Commerce on S.B. No. 1803**

The purpose of this bill is to provide health care coverage for Hawaii's residents by amending state health insurance laws with respect to small insurers.

Specifically, this measure:

- (1) Exempts a small group health issuer from having to offer a group health plan to small employers that employ only one employee, if the issuer offers the small employers at least one small group health plan that meets the requirements of Chapter 393, Hawaii Revised Statutes, relating to prepaid health care plans; and
- (2) Exempts any accident or sickness insurer with less than 30 percent share of the accident and sickness insurance market from the prohibition against requiring a prospective insured to purchase another class or an additional policy of the same class of insurance in order to obtain the desired accident and sickness insurance policy.

The Hawaii Management Alliance Association testified in support of this bill. The Department of Commerce and Consumer Affairs testified in opposition to this measure. The Hawaii Medical Service Association submitted comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1803, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1821 Finance on S.B. No. 17**

The purpose of this bill is to make government contracting less burdensome for small design firms by prohibiting certain government contracts under \$1,000,000, from requiring the contractor to defend the governmental body from any liability, damage, loss, or claim, action, or proceeding arising out of the contractor's performance under the contract.

The Department of the Attorney General, American Society of Civil Engineers, Coalition of Hawaii Engineering and Architectural Professionals, Fung Associates, Group 70 International, Inc., Engineering Solutions, Inc., Gray, Hong, Nojima & Associates, Inc., KAI Hawaii Inc., Yogi Kwong Engineers, LLC, MOSS Engineering, Inc., Ferraro Choi and Associates, Ltd., Cedric D.O. Chong & Associates, Incorporated, Fukunaga & Associates, Inc., and many concerned individuals testified in support of this bill. The Department of the Corporation Counsel of the City and County of Honolulu offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 17, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1822 Finance on S.B. No. 709**

The purpose of this bill is to establish a sound basis for setting policies and goals, and tracking progress toward diversification of Hawaii's economy by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to collect, analyze, and disseminate economic data on Hawaii's growth industries, and appropriating funds for this purpose.

DBEDT and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1823 Finance on S.B. No. 1315**

The purpose of this bill is to improve public access to government services and information maintained by government agencies by making permanent and reestablishing statutorily the Access Hawaii Committee that provided oversight of the portal manager that manages and operates the State's Internet portal.

The Department of Commerce and Consumer Affairs, Department of Accounting and General Services, State Procurement Office, and High Technology Development Corporation supported this bill. The Office of Information Practices supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1824 Finance on S.B. No. 1922**

The purpose of this bill is to support the growth of the creative media industry in Hawaii by appropriating general funds to:

- (1) The University of Hawaii (UH) to plan, design, and construct a permanent facility for the UH Academy for Creative Media (Academy);
- (2) The Department of Business, Economic Development, and Tourism (DBEDT) and UH-Honolulu Community College (HCC) to lease, operate, and maintain a state-of-the-art digital media incubator facility; and
- (3) HCC to lease, operate, and maintain a music and entertainment business training center.

DBEDT, HCC, the High Technology Development Corporation, PBS Hawaii, KUD International, COJODA Productions LLC, Hoakea Communications, Juniroa Productions Inc., TCR Productions, and numerous concerned individuals testified in support of this bill. UH-Manoa and numerous concerned individuals supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1922, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chong and Hanohano.

**SCRep. 1825 Finance on S.B. No. 53**

The purpose of this bill is to expand health insurance services by including marriage and family therapy in the substance abuse and mental illness treatment benefits required to be provided under accident and health or sickness insurance policies and similar insurance coverage.

Numerous concerned individuals testified in support of this bill. The Department of Commerce and Consumer Affairs offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 53 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1826 Finance on S.B. No. 139**

The purpose of this bill is to ensure proper distribution of taxes collected from the sale of cigarettes by:

- (1) Clarifying that the cigarette tax collected pursuant to section 245-15, Hawaii Revised Statutes, will be assessed on a per cigarette basis;
- (2) Ensuring that the cigarette taxes collected are earmarked for designated special funds through the year 2011 and beyond; and
- (3) Ensuring that any interest earned or accrued by the moneys collected from the cigarette tax and placed in the Hawaii Cancer Research Special Fund will remain in the fund for use by the Cancer Research Center of Hawaii.



The Department of Health, University of Hawaii, Hawaii Primary Care Association, Healthcare Association of Hawaii, Queen's Medical Center, Hawaii Pacific Health, and Coalition for a Tobacco Free Hawaii 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 S.B. No. 139, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1827 Finance on S.B. No. 820**

The purpose of this bill is to continue to allow persons with developmental disabilities or mental retardation to choose to live in the least restrictive, individually-appropriate environment assisted by the Department of Health (DOH), by extending the sunset date of Act 303, Session Laws of Hawaii 2006, to June 30, 2009.

The State Council on Developmental Disabilities, Disability and Communication Access Board, and Hawaii Disability Rights Center testified in support of this bill. DOH offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 820, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1828 Finance on S.B. No. 1968**

The purpose of this bill is to enhance government efficiencies to the benefit of Hawaii National Guard personnel, by allowing officers and warrant officers of the army and air National Guard, who are on state active duty, to deposit their paycheck by electronic transfer to their personal banking accounts.

The State Adjutant General, Chamber of Commerce 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 S.B. No. 1968 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum, Tokioka and Meyer.

**SCRep. 1829 Finance on S.B. No. 1228**

The purpose of this bill is to honor the memory of Hawaii's World War II Japanese internees by establishing a process to determine the most appropriate means of memorializing the World War II Japanese interment camp experience in Hawaii.

The Department of Land and Natural Resources, Japanese Cultural Center of Hawaii, Japanese American Heritage Coalition, and Japanese American Citizens League-Honolulu Chapter testified in support of this bill. The Hawaii Confinement Sites Committee of the Japanese Cultural Center of Hawaii and Historic Hawaii Foundation testified in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1228, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1830 Finance on S.B. No. 98**

The purpose of this bill is to improve the efficacy of school health functions by:

- (1) Repealing the transfer from the Department of Health (DOH) to the Department of Education (DOE), of public health nurses who supervise school health aides;
- (2) Repealing the School Health Services Program currently operating within DOH;
- (3) Creating a School Health Services Program within DOE; and
- (4) Requiring DOE to provide career pathways development and training opportunities for school health aides in the school health services field and other fields within DOE to ensure their opportunity for continued employment within DOE.

DOE, DOH, and the Department of Human Resources Development testified in support of this bill. The Hawaii Government Employees Association testified in opposition to this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 98, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 98, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Hanohano, Magaoay and Manahan. (Representative Carroll voted no.)

**SCRep. 1831 Finance on S.B. No. 686**

The purpose of this bill is to attract, retain, and reward quality and excellence in educational assistants by appropriating funds to the Department of Education (DOE) to implement and maintain a career ladder program for educational assistants. This measure also requires the DOE to report to the Legislature on the career ladder program, including:

- (1) Class levels and other career ladder enhancements;
- (2) The number of individuals affected by a career ladder program; and
- (3) The cost impact of implementing a career ladder program for educational assistants.

DOE and the Hawaii Government Employees Association 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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 686, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 686, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Hanohano, Magaoay and Manahan.

**SCRep. 1832 Finance on S.B. No. 1931**

The purpose of this bill is to improve Hawaii's ability to meet its current and future workforce needs by:

- (1) Establishing and appropriating funds for an educational workforce working group to make recommendations on workforce and workforce-related education issues;
- (2) Requiring the Department of Education (DOE) to include in its strategic plan the optimal use of technology for workforce needs and student education plans that directly link to economic and workforce needs;
- (3) Requiring the University of Hawaii System (UH) to report on its workforce development activities, including related enrollment and graduation statistics;
- (4) Appropriating funds for two workforce development liaison positions within DOE to coordinate workforce development efforts with the public and private sectors; and
- (5) Transferring the Workforce Development Council from the Department of Labor and Industrial Relations (DLIR) to the Department of Business, Economic Development, and Tourism (DBEDT).

UH, DLIR, the Workforce Development Council, the Society for Human Resource Management-Hawaii Chapter, and a concerned individual supported this bill. DOE supported the intent of this measure. DBEDT submitted comments.

Your Committee has amended this bill by:

- (1) Blanking out the \$25,000 appropriation for the Educational Workforce Working Group;
- (2) Removing the provisions transferring the Workforce Development Council from DLIR to DBEDT;
- (3) Changing the effective date to July 1, 2020, to promote 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 S.B. No. 1931, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1931, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Chong, Hanohano, Magaoay and Manahan.

**SCRep. 1833 Finance on S.B. No. 990**

The purpose of this bill is to increase the transparency of petroleum industry pricing by:

- (1) Requiring the Public Utilities Commission (PUC) to refer to the Attorney General for prosecution, deceptive, false, or misleading statements, and unlawful profiteering discovered in connection with PUC's regulation under Chapter 486H, Hawaii Revised Statutes (HRS), Gasoline Dealers, or Chapter 486J, HRS, the Petroleum Industry Information Reporting Act (Reporting Act);
- (2) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to use the information obtained under the Reporting Act to support the DBEDT Director's role as the State Energy Resources Coordinator and conduct strategic and systematic energy planning and emergency preparedness activities; and
- (3) Appropriating funds to allow PUC to hire staff and administer the Reporting Act and DBEDT to fulfill its analysis and planning responsibilities as State Energy Resources Coordinator under the Reporting Act.

PUC supported this bill. DBEDT supported the intent of this measure. The Western States Petroleum Association submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 990, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 990, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1834 Finance on S.B. No. 1026**

The purpose of this bill is to protect the environment through recycling by:

- (1) Allowing 68-fluid-ounce beverage bottles to be recycled under Hawaii's Deposit Beverage Container Program (Program); and
- (2) Making other amendments to improve the Program.

The Sierra Club, Hawaii Chapter, Windward Ahupua'a Alliance, and Reynolds Recycling testified in support of this bill. The Governor's Policy Office, Department of Health, and Hawaii Food Industry Association opposed this measure. The Pepsi Bottling Group Hawaii and Coca-Cola Bottling Company of Hawaii suggested amendments.

Your Committee notes that the language contained on page 7, lines 11-13, of the amended bill should be clarified with regard to the term "Hawaii" or "HI" indicated on the beverage container. For example, those terms may be part of the brand name of the beverage.

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 S.B. No. 1026, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1026, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1835 Finance on S.B. No. 688**

The purpose of this bill is to provide a vision for the future direction of education in Hawaii by requiring the Hawaii P-20 Initiative Council to develop and initiate plans for 21<sup>st</sup> century education in Hawaii and appropriating funds for this purpose.

The Department of Education, Hawaii P-20 Initiative, and the Hawaii State Teachers Association 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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 688, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 688, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Hanohano, Magaoy, Manahan and Meyer.

**SCRep. 1836 Finance on S.B. No. 1154**

The purpose of this bill is to provide more flexibility to the University of Hawaii (UH) in the financing and administering of the construction and maintenance of university projects, university systems, or networks.

UH testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the \$100 million limit on the total principal amount of revenue bonds that may be issued by the UH Board of Regents to an unspecified amount, to encourage further discussion;
- (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 S.B. No. 1154, 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. 1154, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Hanohano.

**SCRep. 1837 Finance on S.B. No. 1115**

The purpose of this bill is to ensure the availability of perinatal care to pregnant women with a history of substance abuse by continuing the funding appropriated last year to establish a pilot perinatal clinic and provide case management services.

The Drug Policy Forum of Hawaii, Hawaii Section of the American College of Obstetricians and Gynecologists, and a few concerned individuals testified in support of this bill. The University of Hawaii John A. Burns School of Medicine supported the intent of this measure. The Department of Human Services offered comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1115, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1115, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1838 Finance on S.B. No. 1282**

The purpose of this bill is to address the critical shortage of mobile intensive care technicians and paramedics in Hawaii by establishing and appropriating funds for an Emergency Medical Technician Training Stipend Program to allow students to attend a state-qualified mobile intensive care technician training program.

The Kauai Subarea Health Planning Council, American Medical Response, Maui County Paramedic Association, and numerous concerned individuals testified in support of this bill. The Department of Health 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 S.B. No. 1282, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1282, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1839 Finance on S.B. No. 1672**

The purpose of this bill is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by:

- (1) Establishing a process by which Medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation; and
- (2) Retroactively adjusting for inflation, payments made to providers of hospital outpatient services and other individual providers to account for the lack of a rate increase for the past five years.

The Hawaii Primary Care Association, Hawaii Medical Service Association, Queen's Medical Center, Hawaii Pacific Health, Hawaii Chapter of the American Physical Therapy Association, and the Chamber of Commerce of Hawaii supported this bill. The Healthcare Association of Hawaii supported this measure with amendments. The Department of Human Services submitted comments.

Your Committee has amended this bill by:

- (1) Removing provisions that retroactively adjusted for inflation, payments made to providers of hospital outpatient services and other individual providers;
- (2) Inserting unspecified appropriation amounts for:
  - (A) Increasing the Medicaid fee schedule; and
  - (B) The state portion of the Medicaid federal disproportionate share hospital allowance;
- (3) Changing the effective date to July 1, 2020, 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 S.B. No. 1672, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1672, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Chong, Hanohano, Magaoay and Manahan.

**SCRep. 1840 Finance on S.B. No. 1917**

The purpose of this bill is to address the housing crisis in Hawaii by:

- (1) Providing funding for various homeless shelters and transitional housing programs and services;
- (2) Providing funding for a census, interviews, and homeless best-practice solutions for the Waianae Coast homeless population;
- (3) Requiring the Hawaii Housing Finance and Development Corporation (HHFDC) to create an affordable housing inventory registry;
- (4) Increasing the percentage allocation of conveyance tax revenues to the Rental Housing Trust Fund (RHTF) and extending the sunset date for these allocations to June 30, 2012;
- (5) Providing funding for various affordable and public housing programs; and
- (6) Requiring counties to adopt rules to allow for the construction of indigenous Hawaiian structures by March 31, 2008.

The Department of Taxation, HHFDC, Catholic Charities Hawaii, Hawaii Association of Realtors, Hawaii Family Forum, and several concerned individuals supported this bill. The Governor's Policy Office and Hawaii Public Housing Authority supported this bill in part. Partners in Care, Housing Hawaii, and a concerned individual supported this bill with amendments. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Blanking out the 2012 extended sunset date for the increase in conveyance tax revenue allocations to the RHTF;
- (2) Blanking out the \$50,000 appropriation for the Waianae Coast homeless study;
- (3) Extending the appropriation for homeless outreach or support service providers, to supportive services projects currently funded through Department of Housing and Urban Development (HUD) homeless assistance programs, to maximize federal dollars;
- (4) Extending the appropriation for continual operational funds and matching funds for Shelter Plus Care grants, to HUD Supportive Housing Programs; 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 S.B. No. 1917, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1917, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1841 Finance on S.B. No. 1284**

The purpose of this bill is to address the Employees' Retirement System's (ERS) ability to eliminate its unfunded liability. Specifically, this bill:

- (1) Increases the state and county contributions to the ERS for all their employees;

- (2) Repeals the provision allowing the employer contribution rates to be reduced even if the period required to amortize the unfunded actuarial liability falls below 25 years; and
- (3) Allows the ERS Board of Trustees to adopt actuarial recommendations for the salary scale assumptions.

The Board of Trustees of the ERS and Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance commented on this measure.

Your Committee has amended this bill by:

- (1) Inserting language prohibiting benefit enhancements under this chapter for any group of members, including any reduction of retirement age, whenever an unfunded accrued liability exists; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1284, 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. 1284, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1842 Finance on S.B. No. 1833**

The purpose of this bill is to support workers by eliminating an employer's option to substitute an employee's accrued vacation, personal, or paid family leave for any part of the four weeks of family leave granted under the family leave law.

The Office of Hawaiian Affairs, Hawaii Government Employees Association, Hawaii State Teachers Association, Hawaii State AFL-CIO, ILWU Local 142, UNITE HERE! Local 5, Hawaii Family Forum, Roman Catholic Church in Hawaii, International Association of Machinists, Association of Flight Attendants, CWA, and a concerned individual supported this bill. The Department of Labor and Industrial Relations, National Federation of Independent Business, Retail Merchants of Hawaii, and Chamber of Commerce of Hawaii opposed this measure.

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, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1833, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1833, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1843 Finance on S.B. No. 1950**

The purpose of this bill is to prepare for the increase in vacancies in government employment as the baby boomers retire, by temporarily allowing the State and counties to rehire retirees while shielding these retirees from any adverse effects on their normal retirement benefits.

The Judiciary, Department of Education, Mayor of the County of Hawaii, Maui County Police Department, Kauai County Department of Water, State of Hawaii Organization of Police Officers, a member of the Maui County Council, and the Hawaii State Teachers Association supported this bill. The Maui County Department of Personnel Services, Honolulu City and County Department of Human Resources, and Hawaii County Department of Human Resources supported the intent of the bill. The State of Hawaii Department of Human Resources Development and Employees' Retirement System provided 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, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1950, 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. 1950, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1844 Finance on S.B. No. 796**

The purpose of this bill is to prepare the State for natural disasters and other catastrophic occurrences by:

- (1) Requiring the counties to condition permit approvals for new residential construction in tsunami inundation zones on the installation of tsunami warning sirens;
- (2) Appropriating funds:
  - (A) For emergency supply caches, the State Civil Defense Major Disaster Fund, and for non-declared disaster activation and response, to equip emergency shelters to support special needs populations; and
  - (B) To the Ethnic Education Foundation of Hawaii to disseminate civil defense information to Hawaii's non-English speaking and English-as-a-second-language populations;
- (3) Allowing the Governor during a natural disaster emergency to release up to ten percent of the interest earned on the moneys in the Emergency and Budget Reserve Fund; and
- (4) Requiring the Disability Communications Access Board to identify internationally recognized symbols to be used in the event of a disaster or emergency.

The State Council on Developmental Disabilities, United Filipino Council of Hawaii, National Federation of Filipino American Associations Region 12, Philippine Nurses Association-Hawaii, Filipino Coalition for Solidarity, Asian American Network for Cancer Awareness Research and Training, Oahu Filipino Community Council, Congress of Visayan Organizations, and several concerned individuals supported this bill. The Honolulu City and County Department of Planning and Permitting opposed this bill. The State of Hawaii Department of Defense submitted comments.

Your Committee has amended this bill by:

- (1) Removing the appropriations for emergency supply caches, the State Civil Defense Major Disaster Fund, non-declared disaster activation and response, and the Ethnic Education Foundation of Hawaii to disseminate civil defense information;
- (2) Removing the provision allowing the Governor to release interest moneys in the Emergency and Budget Reserve Fund during a natural disaster emergency;
- (3) Changing the effective date to July 1, 2020, to promote 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 S.B. No. 796, 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. 796, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Rhoads, Sagum, Tokioka and Meyer.

**SCRep. 1845 Finance on S.B. No. 914**

The purpose of this bill is to remedy the inadequacies of mental health care services to persons committed to state-operated correctional facilities by:

- (1) Appropriating funds for improvements to the mental health care system; and
- (2) Requiring the Department of Public Safety (DPS) to submit to the Legislature a report on various aspects of its delivery of mental health care services to committed persons.

The Department of the Attorney General, Community Alliance on Prisons, Hawaii Disability Rights Center, National Alliance on Mental Illness Oahu, and several concerned individuals testified in support of this bill. DPS 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 S.B. No. 914, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 914, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Sagum, Tokioka and Meyer.

**SCRep. 1846 Finance on S.B. No. 917**

The purpose of this bill is to improve Hawaii's correctional services by:

- (1) Requiring the Department of Public Safety (DPS) to develop a plan to return all female prisoners who are residents of Hawaii and who have been sent to the mainland for incarceration;
- (2) Requiring DPS to perform a study to explore and determine three sites in the state for a minimum-security prison facility;
- (3) Requiring DPS and the Office of Planning to study the feasibility of selling or leasing the Oahu Community Correctional Center to build a new facility in a different location to accommodate and manage the continued growth of the inmate population; and
- (4) Require the mainland branch of the Corrections Division of DPS to improve its monitoring and reporting about the conditions of Hawaii residents held in mainland prisons under the Interstate Corrections Compact.

The Office of Hawaiian Affairs, Community Alliance on Prisons, Government Efficiency Teams, Inc., Hawaii Substance Abuse Coalition, and several concerned individuals testified in support of this bill. DPS opposed 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 S.B. No. 917, 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. 917, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Sagum, Tokioka and Meyer.

**SCRep. 1847 Finance on S.B. No. 1174**

The purpose of this bill is to strengthen the bonds between incarcerated parents and their children by requiring the development of incarcerated parent-child interaction programs for both male and female offenders incarcerated at state correctional facilities and institutions servicing other offender populations.

The Office of Hawaiian Affairs, Community Alliance on Prisons, Parents and Children Together, SKIP Partnership, Child and Family Services, Hawaii Youth Services Network, and numerous concerned individuals supported this bill. The Department of Public Safety 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 S.B. No. 1174, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1174, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Sagum, Tokioka and Meyer.

**SCRep. 1848 Finance on S.B. No. 880**

The purpose of this bill is to preserve Hawaii's unique cultural heritage by establishing the temporary Museum of Hawaiian Music and Dance Committee to investigate items relating to, and develop plans for, the Museum of Hawaiian Music and Dance.

The State Foundation on Culture and the Arts, Hawaii Government Employees Association, Hawaiian Music Hall of Fame, Ululua Productions, Mountain Apple Company, and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority supported the intent of this measure.

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 S.B. No. 880, 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. 880, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Hanohano.

**SCRep. 1849 Finance on S.B. No. 840**

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to award leases for the remaining nineteen lots at Kikala-Keokea to:

- (1) Residents of Kalapana who have been living in Kalapana continuously for not less than six months at the time of their application;
- (2) Previous residents of Kalapana who resided within Kalapana continuously for not less than six months; or
- (3) Descendants of those residents of Kalapana who were dispossessed or displaced as a result of the volcanic eruptions on the island of Hawaii that began on January 3, 1983.

DLNR, Office of Hawaiian Affairs, Hawaii County Economic Opportunities Council, and Na Ohana o Kalapana supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 840, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Sagum and Ward.

**SCRep. 1850 Finance on S.B. No. 870**

The purpose of this bill is to provide public access to existing documentation of archaeological work of the Hawaiian archipelago, beginning with the collections of Bishop Museum, by:

- (1) Establishing a Hawaii Archaeological Data Survey (Survey) that consists of an online database;
- (2) Designating the Survey as a program of the Bishop Museum, which has been designated as the State of Hawaii Museum of Natural and Cultural History (Museum) under section 6E-40, Hawaii Revised Statutes; and
- (3) Allowing the Museum, in consultation with the Office of Hawaiian Affairs (OHA), to withhold certain sensitive information from the database.

OHA and Bishop Museum testified in support of this bill. The Department of Land and Natural Resources (DLNR) and Society for Hawaii Archaeology opposed this measure. The Office of Information Practices provided comments.

Your Committee has amended this bill by:

- (1) Adding DLNR as an agency that the Museum must consult with in deciding which information may be withheld from the database;
- (2) Requiring a consensus among the Museum, OHA, and DLNR to determine what information is withheld from the Survey; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870, 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. 870, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Hanohano and Sagum.

**SCRep. 1851 Consumer Protection & Commerce/Judiciary on S.B. No. 188**

The purpose of this bill is to improve the procedures by which rules that impact small businesses are reviewed under the Small Business Regulatory Flexibility Act by requiring:

- (1) Agencies to submit the small business impact statement when proposed rules are essentially complete and before they are submitted to the Governor for approval for public hearing;

- (2) The Small Business Regulatory Review Board (Board) to review not only rules as requested by small businesses, but any new or proposed rule; and
- (3) The Board to inform small businesses whose complaints that have not been upheld, that the business may submit a complaint to the Ombudsman.

The Board, Department of Business, Economic Development, and Tourism, and Hawaii Business League testified in support of this bill. The Office of the Ombudsman provided comments.

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. 188, S.D. 2, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Caldwell, Evans, Ito, Luke, Morita, Yamane and Yamashita.

**SCRep. 1852      Agriculture on S.B. No. 1943**

The purpose of this bill is to encourage the production and use of biofuels and energy feedstock in Hawaii by:

- (1) Adding biofuel processing facilities to the list of permitted uses for agricultural lands; and
- (2) Establishing an energy feedstock program (Program) in the Department of Agriculture (DOA).

Imperium Renewables Hawaii LLC, Hawaii BioEnergy, and Enterprise Honolulu supported this bill. DOA and the Department of Business, Economic Development, and Tourism supported this bill with amendments. The Department of Planning and Permitting of the City and County of Honolulu (Honolulu DPP), Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company submitted comments.

Several issues were raised at the public hearing. The Honolulu DPP indicated that certain provisions relating to the addition of biofuel processing facilities to the list of permitted uses on agricultural land resemble criteria for approval of a particular proposal, rather than parameters for a permitted use. Honolulu DPP suggested that biofuel processing facilities be allowed on agricultural land through the special permit process.

In addition, concerns were expressed regarding potential negative impacts on existing bona fide farms of establishing biofuel processing facilities on agricultural lands. Concerns were also raised regarding whether this measure assists local farming operations.

Furthermore, DOA submitted recommended amendments to this bill that would impose additional requirements for biofuel processing facilities on agricultural land and for the Program. The proposed requirements are intended to ensure that a majority of the energy feedstock are grown in the state. Your Committee respectfully requests the Attorney General study the proposed amendments to determine the constitutionality of requiring the use of locally grown products as proposed by DOA, and provide a written opinion on this matter prior to the House and Senate conference period on this bill.

Your Committee has amended this measure by:

- (1) Deleting the provision requiring the Chairperson of the Board of Agriculture (Chairperson) and the Energy Resources Coordinator (Coordinator) to establish a baseline percentage of energy feedstock to be grown in the state;
- (2) Clarifying that the Chairperson consult and coordinate with the Coordinator to establish milestones and objectives for the production of energy feedstock that is grown in the state;
- (3) Requiring the Chairperson and the Coordinator to report on an annual basis the State's progress towards achieving the milestones and objectives;
- (4) Including the cultivation of crops for bioenergy in the list of permitted uses on class A or B agricultural land; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee recognizes that additional study needs to be done to determine the most appropriate way to establish specific milestones and objectives for energy feedstock grown in the state.

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. 1943, 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. 1943, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Herkes, Manahan, Wakai and Ching.

**SCRep. 1853      Finance on S.B. No. 1017**

The purpose of this bill is to remove a provision that limited the use of funds appropriated for fiscal year 2006-2007 as a grant-in-aid to the Hawaii Habitat for Humanity Association only to homes built on leased state lands.

Hawaii Habitat for Humanity Association and Molokai Habitat for Humanity testified in support of this bill. The Hawaii Housing Finance and Development Corporation submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1017, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1854      Finance on S.B. No. 795**

The purpose of this bill is to protect the health, safety, and welfare of occupants and users of buildings and facilities throughout the state by creating and appropriating funds for the State Building Code Council to establish and update a comprehensive, statewide model building code and design standards.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, Disability and Communication Access Board, American Institute of Architects Hawaii State Council, Plumbers and Fitters Union Local 675, American Society of Civil Engineers, and State Farm Insurance Companies testified in support of this bill. The Department of Defense and Department of Accounting and General Services offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 795, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Sagum and Tokioka.



**SCRep. 1855 Finance on S.B. No. 662**

The purpose of this bill is to provide incentives for the designation of important agricultural lands (IALs) by allowing the Chairperson of the Board of Agriculture to guarantee loans made by commercial lenders to agricultural producers for the purpose of developing and implementing agricultural projects located on IALs.

The Department of Agriculture, Hawaii Crop Improvement Association, Hawaiian Electric Company, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this bill. The Hawaii Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., supported this measure with amendments. The Department of Budget and Finance 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 clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 662, 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. 662, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1856 Finance on S.B. No. 1066**

The purpose of this bill is to protect Hawaii's fragile environment from invasive species by:

- (1) Requiring the Department of Agriculture (DOA) to collect service fees or charges for pest inspection, quarantine, and eradication services from any importer of commercial shipments; and
- (2) Establishing and appropriating funds for the Pest Inspection, Quarantine, and Eradication Fund for the operation of pest inspection, quarantine, eradication, and monitoring programs, related facilities, and the execution of emergency remedial measures when pests are detected in the course of inspection and quarantine activities.

DOA; the Office of the Mayor of the County of Maui; two members of the Maui County Council; Nature Conservancy of Hawaii; Sierra Club, Hawaii Chapter; Hawaii Forest Industry Association; and Hawaii Audubon Society testified in support of this bill. The Department of Land and Natural Resources, Department of Transportation, and Department of Budget and Finance supported the intent of this measure. Horizon Lines and Hawaii Automobile Dealers' Association opposed this bill. Alexander & Baldwin, Inc., and The Chamber of Commerce of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, 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. 1066, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1857 Finance on S.B. No. 1008**

The purpose of this bill is to enhance the regulation of annuity sales by establishing standards and procedures for insurers and insurance producers that make recommendations to consumers regarding the purchase or exchange of annuities.

The American Council of Life Insurers, National Association of Insurance and Financial Advisors, and Insurance Division of the Department of Commerce and Consumer Affairs (DCCA) supported this measure with amendments. The Business Registration Division of DCCA submitted comments.

Your Committee has amended this bill by:

- (1) Specifying that nothing in this Act will supersede Chapter 485, Hawaii Revised Statutes, the Uniform Securities Act;
- (2) Providing that this Act shall not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date;
- (3) Inserting a sunset date of June 30, 2010; 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 S.B. No. 1008, 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. 1008, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1858 Finance on S.B. No. 896**

The purpose of this bill is to support the growth of a life- sciences and technology industry in Hawaii by appropriating funds for the High Technology Development Corporation (HTDC), in conjunction with the Department of Business, Economic Development, and Tourism (DBEDT), to enter into:

- (1) A lease for laboratory and office space in a life-sciences research complex in Kakaako; and
- (2) Contracts to support the planning and development of a state-operated high technology incubator and innovation center as part of a life-sciences research complex in Kakaako.

This bill also requires HTDC to submit annual progress reports to the Legislature on it plans, agreements, expenditures, and other activities to develop a life-sciences and technology industry in Hawaii.

DBEDT; HTDC; Hawaii Community Development Authority, University of Hawaii (UH) John A. Burns School of Medicine; UH Office of Technology Transfer and Economic Development; Pacific Resource Partnership; Hawaii Science and Technology Council; Phase 3 Properties; KUD International; The Kamehameha Schools; Honolulu Seawater Air Conditioning, LLC; and the American Society of Civil Engineers 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 S.B. No. 896, 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. 896, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1859 Finance on S.B. No. 907**

The purpose of this bill is to position Hawaii to take part in the aerospace industry by:

- (1) Renaming the Office of Space Industry, the Office of Aerospace Development (Aerospace Office);
- (2) Expanding the duties of the Aerospace Office to include the identification and promotion of opportunities for expanding and diversifying aerospace-related industries in the state; and
- (3) Appropriating funds to operate the Aerospace Office and establish and operate a Pacific International Space Center for Exploration Systems (PISCES).

The University of Hawaii at Hilo (UHH), UHH Department of Physics and Astronomy, UHH Conference Center, former Governor George Ariyoshi, Space Portal, ROCKETPLANE KISTLER INC., Japan-United States Science, Technology and Space Applications Program, JAMSS America, Inc., Enterprise Honolulu, SpacePartnerships.com, Hawaii Island Economic Development Board, Inc., Center for Space Resources, Space Research Institute of Auburn University and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism, submitted comments.

Your Committee has amended this bill by:

- (1) Appropriating funds to support the development of studies that would provide a detailed environmental and safety analysis to certify that spaceplanes can be launched safely from Hawaii, which may be required to obtain a commercial spaceport license from the Federal Aviation Administration; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 907, 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. 907, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1860 Finance on S.B. No. 1929**

The purpose of this bill is to improve enforcement of the State's procurement code by:

- (1) Removing language making violation of the code a misdemeanor;
- (2) Allowing the Procurement Policy Board to set administrative fines by rule; and
- (3) Authorizing the Chief Procurement Officer to impose the administrative fines.

The Department of Commerce and Consumer Affairs testified in support of this bill. The State Procurement Office supported the intent of this measure. The Department of Accounting and General Services offered comments.

Your Committee has amended this bill by making all of the provisions of the bill effective on July 1, 2034, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1929, 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. 1929, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1861 Finance on S.B. No. 12**

The purpose of this bill is to ensure fair pricing methodologies in the health insurance market by:

- (1) Prohibiting health insurance rates that are excessive, inadequate or unfairly discriminatory;
- (2) Requiring health care insurers to submit rate filings for approval by the Insurance Commissioner; and
- (3) Establishing penalties and appeal procedures.

The Department of Commerce and Consumer Affairs, Hawaii State Teachers Association, Hawaii Government Employees Association, International Longshore and Warehouse Union, Hawaii Association of Realtors, Kokua Council, and a concerned individual supported this bill. The Hawaii Medical Service Association and Kaiser Permanente opposed this measure. AlohaCare submitted comments.

Your Committee has amended this bill by:

- (1) Excluding managed care plans established or funded by any federal, state, or county government, including plans established under Medicare, Medicaid, Federal Employee Health Benefits Act, Tricare, QUEST, Hawaii Employer-Union Health Benefits Trust Fund, State Health Insurance Program, and similar government programs;

- (2) Requiring any managed care plan whose reserves exceed 50 percent of its annual total expenses, to reimburse the excess moneys to the subscribers, the enrollees, or the customers in accordance with a plan submitted to and approved by the commissioner;
- (3) Inserting provisions exempting managed care plans whose only source of revenue is government contracts;
- (4) Changing the effective date to January 1, 2008;
- (5) Inserting a sunset date of January 1, 2011; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 12, 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. 12, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1862 Finance on S.B. No. 810**

The purpose of this bill is to facilitate the establishment of a "totally integrated community" on the state-owned Waimano Ridge lands by:

- (1) Appropriating funds for:
  - (A) The Waimano Ridge Task Force operating expenses;
  - (B) Updating the Waimano Ridge comprehensive master plan; and
  - (C) One permanent, full-time Waimano Ridge facilities manager position;
 and
- (2) Authorizing the issuance of general obligation bonds for building demolition and water system upgrade and building improvement projects on Waimano Ridge lands.

The Pearl City Community Association, Pearl City Neighborhood Board No. 21, and a concerned individual testified in support of this bill. The Department of Health 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 clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 810, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 810, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1863 Finance on S.B. No. 156**

The purpose of this bill is to increase participation in and streamline the electoral process by allowing eligible voters to apply for permanent absentee voter status.

The Office of Elections, Disability and Communication Access Board, AARP Hawaii, AARP-Hawaii on Kauai, AARP-Hawaii on the island of Hawaii, and many concerned individuals supported this bill. The Maui County Office of the County Clerk supported the intent of this measure. The Kauai County Office of the County Clerk provided comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 156, 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. 156, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Rhoads, Sagum, Tokioka, Awana and Meyer.

**SCRep. 1864 Finance on S.B. No. 1928**

The purpose of this bill is to:

- (1) Authorize and fund an investigative unit in the Office of the Auditor to conduct investigations involving alleged or suspected government waste, fraud, abuse, nonfeasance, or malfeasance; and
- (2) Appropriate funds for the completion of the work of the Hawaii 2050 Task Force.

The Office of the Auditor and a concerned individual testified in support of this bill. The Department of the Attorney General 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1928, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1928, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1865 Finance on S.B. No. 1191**

The purpose of this bill is to improve pedestrian safety, especially for elderly persons, by:

- (1) Requiring the Department of Transportation (DOT) to:
  - (A) Work with the counties and nonprofit organizations to identify and implement immediate improvements to high-risk crosswalks and road crossings;
  - (B) Conduct a pilot study to identify state and county intersections where the time to cross the intersection is insufficient for elderly pedestrians;
  - (C) Develop additional design, funding, and installation plans to make crosswalks and road crossings safer for pedestrians; and
  - (D) Submit an interim report to the Legislature prior to the convening of the Regular Session of 2008 and a final report prior to the convening of the Regular Session of 2009 detailing the accomplishments, findings, future plans, cost estimates, and any proposed legislation recommended by the study;
- (2) Appropriating funds for DOT to:
  - (A) Work with counties and nonprofit organizations in identifying and implementing improvements to high-risk crosswalks and road crossings;
  - (B) Conduct the study to identify state and county intersections where the time to cross the intersection is insufficient for elderly, child, and disabled pedestrians;
  - (C) Develop additional plans to make crosswalks and roadways safer;
  - (D) Purchase and install traffic countdown timers at state-controlled intersections;
  - (E) Conduct a public awareness campaign on pedestrian safety;
  - (F) Purchase and install pedestrian activated signals; and
  - (G) Conduct pilot projects such as the painting of advanced crosswalk markings, hand-carried signs and flags, and enforcement of crosswalks laws for drivers and pedestrians;
- (3) Appropriating funds for grants-in-aid to the counties for the purchase and installation of traffic countdown timers, provided that the counties provide matching funds;
- (4) Establishing a Photo Red Light Imaging Detector System Program (Program) to improve enforcement of the traffic signal laws;
- (5) Allowing counties to implement the Program;
- (6) Allowing fines collected under county Programs to be deposited into a Photo Red Light Imaging Detector System Program Account (Account) within the general fund; and
- (7) Requiring funds from the Account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of the Program.

The Disability and Communication Access Board, Honolulu Police Department, Kokua Council, AARP Hawaii, Policy Advisory Board for Elder Affairs, Hawaii Bicycling League, Downtown Neighborhood Board No. 13, Kauai Path Committee, Catholic Charities Hawaii, Sierra Club-Oahu Group, and several concerned individuals testified in support of this bill. The Department of Transportation Services of the City and County of Honolulu testified in support of the intent of this measure. DOT, the Department of Health, and Judiciary 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 S.B. No. 1191, 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. 1191, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1866 Finance on S.B. No. 1853**

The purpose of this bill is to ensure Hawaii's natural resources are protected and used responsibly by:

- (1) Establishing the Aha Moku Commission to assist in the formation of regional Aha Moku Councils, which shall serve in an advisory capacity on all matters regarding the management of the state's natural resources; and
- (2) Requiring the Department of Land and Natural Resources (DLNR) to seek advisory assistance from the Aha Moku Councils in developing a comprehensive set of best practices for natural resource management.

The Association of Hawaiian Civic Clubs, Pearl Harbor Hawaiian Civic Club, and Princess Ka'iulani Hawaiian Civic Club supported this bill. DLNR and the Nature Conservancy supported the intent of this measure. The Office of Hawaiian Affairs 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 S.B. No. 1853, 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. 1853, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Sagum and Ward.

**SCRep. 1867 Consumer Protection & Commerce on S.B. No. 1676**

The purpose of this bill is to ensure the ability of the Hawaii Health Systems Corporation (HHSC) to obtain adequate and affordable insurance coverage by setting forth requirements for HHSC to establish a captive insurance company to provide medical malpractice and hospital professional and general liability coverage for HHSC facilities and physicians, and appropriating funds for this purpose.

HHSC testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure.

Your Committee finds that this bill is intended to help HHSC address the rising costs of medical malpractice and hospital liability insurance and the lack of insurers providing sufficient coverage in Hawaii. However, such an undertaking by HHSC requires oversight by those with appropriate knowledge and experience in the insurance industry.

Accordingly, your Committee has amended this measure by:

- (1) Changing the composition of the HHSC board of directors to the following members:
- (A) Eight members to be appointed by the Governor as follows:
- (i) Three members from a list of five persons submitted by the Senate President, with at least one of these members having experience in the insurance industry;
  - (ii) Three members from a list of five persons submitted by the Speaker of the House of Representatives, with at least one of these members having experience in the insurance industry; and
  - (iii) Two additional members, one of whom must be the chief executive officer or chief financial officer of an insurer licensed to do business in the state and who will serve as a nonvoting board member;
- and
- (B) The Director of Health and the Insurance Commissioner, or their respective designees, to serve as ex officio, nonvoting members;
- (2) Prohibiting employees or vendors of HHSC, and their immediate family members, from serving on the HHSC board of directors;
- (3) Requiring HHSC, at least 20 days prior to the convening of the Regular Session of 2008, to submit to the Legislature a report on the feasibility of HHSC establishing a captive insurance company;
- (4) Deleting the appropriations for HHSC to establish a captive insurance company;
- (5) Changing the effective date to July 1, 2007; and
- (6) 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. 1676, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1676, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1868 Consumer Protection & Commerce on S.B. No. 1674**

The purpose of this bill is to encourage the development of telemedicine in the state by allowing a medical practitioner in radiology who is licensed to practice in another state to provide radiology services by telemedicine while in Hawaii to a patient who is located within the state in which the medical practitioner is licensed to practice.

The Department of Health and Maui Economic Development Board, Inc., testified in support of this bill. Virtual Radiologic Corporation supported this measure with amendments. The Board of Medical Examiners provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the Act does not allow radiologists without a license to practice medicine in Hawaii, wherever they may be located, to provide services to a patient located in Hawaii;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the 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. 1674, 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. 1674, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1869 Judiciary on S.B. No. 946**

The purpose of this bill is to make changes to Hawaii's administrative license revocation laws by permitting a driver whose license has been administratively revoked for life for driving under the influence of drugs or alcohol to seek reinstatement of the license after ten years have passed since the lifetime revocation was imposed; and provided that the driver:

- (1) Has had no arrests or convictions for driving while the license was revoked; and
- (2) Is free from dependency or abuse of alcohol and drugs.

The Office of the Public Defender, Wahiawa Church of the Nazarene, Hawaii Pacific District Church of the Nazarene, and several concerned individuals testified in support of this bill. The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, and MADD Hawaii opposed this measure. The Judiciary and a concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

**SCRep. 1870            Judiciary on S.B. No. 1515**

The purpose of this bill is to protect the environment and state harbors by:

- (1) Making any commercial harbor tenant or user, including shippers and shipping agents, who violate any federal, state, or county environmental law or rule, to be liable to the Department of Transportation (DOT) for the amount of a fine, up to the maximum amount specified by the appropriate law or rule, if the violation results in an environmental fine being levied against DOT; and
- (2) Allows DOT to take legal action against a harbor tenant or user to collect the fines and any costs or expenses incurred.

DOT testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying that a harbor user or tenant who is responsible for a violation of applicable environmental protection laws that result in a fine being assessed against DOT reimburse the entire amount of the fine to DOT;
- (2) Allowing DOT to take any action necessary to collect any amount of money that is reimbursable under this measure; and
- (3) Changing the effective date to January 1, 2112, to promote further discussion.

Your Committee has also made non-substantive, stylistic revisions to the language of this bill, including to the proposed Hawaii Revised Statutes section heading, to clarify that the laws or rules giving rise to a fine reimbursement obligation must all relate to environmental protection. Your Committee further requests that DOT clarify to the Legislature, specifically and by example, those statutes or rules for which it wishes to impose a reimbursement obligation.

As affirmed by the record of votes of 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. 1515, 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. 1515, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Luke, McKelvey and Thielen.

**SCRep. 1871            Finance on S.B. No. 95**

The purpose of this bill is to repeal an obsolete provision that allows the Department of Education (DOE) to reallocate existing vacant positions so long as this results in positions being transferred from the state and district offices to individual schools and learning support centers.

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 S.B. No. 95, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1872            Finance on S.B. No. 1459**

The purpose of this bill is to ensure the State's compliance with the federal Individuals with Disabilities Education Improvement Act of 2004 by making an emergency appropriation in the amount of \$4,419,644, to the Department of Health to provide additional early intervention services to meet the needs of infants and children who have developmental delays or who face biological or environmental risk.

The Department of Health, State Council on Developmental Disabilities, Hawaii Early Intervention Coordinating Council, Hawaii Chapter – American Physical Therapy Association, Easter Seals Hawaii, and Center on Disability Studies testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1459, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1873            Finance on S.B. No. 1068**

The purpose of this bill is to ensure and encourage open and democratic elections by:

- (1) Revising various campaign spending reporting deadlines.
- (2) Amending the definitions of "contribution" and "expenditure" for use of internet services;
- (3) Increasing the amount that may be spent per voter for candidates who apply for partial public funding; and
- (4) Allowing candidates for prosecuting attorney to qualify for partial public funding.

The Campaign Spending Commission, Advocates for Consumer Rights, Unite Here! Local 5 Hawaii, and a concerned individual supported this bill. The League of Women Voters, Voter Owned Hawaii, and several concerned individuals supported this measure with amendments. Hawaii Clean Elections and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1874 Finance on S.B. No. 1499**

The purpose of this bill is to conform Hawaii tax law to federal tax law as it relates to tax administration and criminal tax enforcement.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1499, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1875 Finance on S.B. No. 678**

The purpose of this bill is to ensure that maximum funds are available for operating and marketing the Hawaii Convention Center (HCC) by exempting from the general excise tax, amounts received by the operator of HCC for reimbursement of costs or advances made pursuant to contract with the Hawaii Tourism Authority (HTA).

HTA; the Tourism Liaison of the Department of Business, Economic Development, and Tourism; and Department of Taxation supported 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 S.B. No. 678, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1876 Finance on S.B. No. 96**

The purpose of this bill is to ensure the safety and welfare of children enrolled in the public school system and users of the public library system by:

- (1) Establishing a program for controlled substance testing based on individualized suspicion of Department of Education (DOE) employees including teacher trainees and employees of the Hawaii State Public Library System who work in close proximity to children, who are not otherwise subject to a drug testing policy under a valid collective bargaining agreement, as follows:
  - (A) Requiring DOE to develop procedures for controlled substance testing;
  - (B) Requiring the employer to place employees, who refuse the test, on administrative leave for 30 days;
  - (C) Authorizing the employer to impose certain sanctions on employees whose test results are positive and who, as a result of their use of controlled substances, pose a risk to or negatively influence children;
  - (D) Requiring DOE to provide for substance abuse assessment, treatment, and counseling, if DOE retains an employee whose test results are positive; and
  - (E) Requiring that evidence of clinical discharge from substance abuse treatment or counseling is required for continued employment of an employee whose test results are positive;
- (2) Expanding the category of individuals subject to criminal history record checks as a condition of DOE employment to include providers, subcontractors, or trainees from an institution of higher education providing or seeking to provide services in close proximity to children;
- (3) Authorizing DOE to pass on the cost of a criminal history record check to the applicants, providers, subcontractors, and trainees, but not to employees, subject to the checks; and
- (4) Appropriating funds to DOE for the costs of conducting criminal history record checks.

DOE and the Hawaii Government Employees Association, HGEA/AFSCME, Local 152, AFL-CIO supported the intent of this bill. The Hawaii State Teachers Association, Drug Policy Action Group, American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, and a concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Reverting to testing based on reasonable suspicion, and also requiring testing on a random basis;
- (2) Requiring the employer to discharge the employee for refusal to test, rather than placing the employee on administrative leave for 30 days;
- (3) Replacing administrative leave as an administrative sanction that the employer may impose for positive test results, with the sanction of suspension without pay;
- (4) Removing language requiring that sanctions for positive test results may only occur after appropriate investigation and notification to the employee of the results and planned action, and the employee is given an opportunity to meet and rebut the finding;
- (5) Deleting the provision that the sanctions provided for positive test results shall not abrogate the applicable appeal rights under Chapter 76 or 89, Hawaii Revised Statutes, or DOE administrative rules;
- (6) Specifying that the substance abuse assessment required for continued employment must be provided by a substance abuse professional (SAP), and that the employee is responsible for the cost of any rehabilitation program, treatment, and counseling required by the SAP;
- (7) Deleting the requirement that if DOE retains an employee whose test results are positive, DOE must provide for substance abuse treatment, counseling, and referral to the employee assistance program; and
- (8) Allowing the appropriation to include expenditures for reasonable suspicion and random drug testing of DOE employees;

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 96, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 96, S.D. 3, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1877 Finance on S.B. No. 994**

The purpose of this bill is to lessen Hawaii's dependence on fossil fuels by allowing seawater air conditioning district cooling systems to benefit from the State's enterprise zone program as a qualified business.

The Department of Business, Economic Development, and Tourism, Honolulu Seawater Air Conditioning, LLC, Hawaii Renewable Energy Alliance, Hawaii Energy Policy Forum, Hawaii Science and Technology Council, and KUD International supported this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion;
- (2) Inserting a sunset date of December 31, 2010; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 994, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 994, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1878 Finance on S.B. No. 1170**

The purpose of this bill is to appropriate or authorize Temporary Assistance for Needy Families funds for the Healthy Start program, including Enhanced Healthy Start, to hire a child development specialist or clinical specialist and for provider training.

The Hawaii Early Intervention Coordinating Council, Catholic Charities Hawaii's Ka Malama Punua, and a concerned individual testified in support of this bill. The Good Beginnings Alliance supported the intent of this measure. The Department of Human Services and Department of Health provided comments.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amount 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 S.B. No. 1170, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1170, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1879 Finance on S.B. No. 1113**

The purpose of this bill is to improve the ability of law enforcement agencies to locate missing persons by establishing new procedures and using technology and databases for missing persons cases.

The Department of the Attorney General, Honolulu Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Requiring that based on the results of an investigation, an investigator shall determine which DNA samples shall be immediately forwarded to the appropriate forensic sciences laboratory for analysis, processing, and recording in the missing persons database of the Federal Bureau of Investigation's National DNA Index System; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1113, 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. 1113, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Rhoads, Sagum, Tokioka, Awana and Meyer.

**SCRep. 1880 Finance on S.B. No. 932**

The purpose of this bill is to provide a comprehensive re-entry system for incarcerated persons rejoining the community by:

- (1) Establishing an offender re-entry system to help adult offenders prepare for release and reintegration back to the community;
- (2) Establishing a stakeholders committee and appropriating funds for demonstration projects;
- (3) Establishing a two-year pilot day-reporting center administered by the Department of Public Safety (DPS);
- (4) Appropriating funds for the expansion of the Restorative Circles Pilot Program to other correctional facilities statewide;



- (5) Authorizing the Hawaii Paroling Authority to parole committed persons to any county in the state where they will receive the greatest support to successfully reintegrate into the community;
- (6) Appropriating funds for a grant to Maui Economic Opportunity, Inc., for the administration of community-based reintegration programs; and
- (7) Appropriating funds to DPS to provide a cognitive restructuring and transition pilot program in the County of Hawaii.

The Office of Hawaiian Affairs, The Mayor of the County of Hawaii, a member of the Maui County Council, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Institute for Human Services, Inc., Hawaii Substance Abuse Coalition, Drug Policy Forum of Hawaii, Maui Economic Opportunity, Inc., and numerous concerned individuals supported this bill. The Department of Labor and Industrial Relations and the Hawaii Paroling Authority supported the intent of this bill. DPS and the Department of Human Services submitted comments.

Your Committee has amended this measure by:

- (1) Replacing all references to grants under Chapter 42F, Hawaii Revised Statutes (HRS), with references to purchase of service contracts under Chapter 103F, HRS;
- (2) Decodifying the authority of the Director of Public Safety to establish one full-time reentry specialist position to support reentry programs;
- (3) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, 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. 932, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Sagum, Tokioka and Meyer.

**SCRep. 1881 Finance on S.B. No. 138**

The purpose of this bill is to ensure that one of Hawaii's most recognized natural monuments, Diamond Head State Monument (Diamond Head), is preserved and cared for by establishing a sub-account under the State Parks Special Fund into which 55 percent of the proceeds collected from the admission fees charged at Diamond Head will be deposited and used to cover the costs of repair, maintenance, and operations at Diamond Head.

The Department of Land and Natural Resources, Office of Hawaiian Affairs (OHA), and Diamond Head Citizens Advisory Committee supported this bill with amendments. A concerned individual submitted comments.

Your Committee recognizes OHA's fiduciary concerns for their beneficiaries, that their pro rata share should be determined before funds are set aside for the sub-account. Therefore, in order to provide 20 percent of the funds collected for OHA's pro rata share and to continue to receive sufficient funds for Diamond Head's repairs, maintenance, and operations your Committee has amended this bill by:

- (1) Providing that 80 percent of the proceeds collected from the admission fees charged at Diamond Head will be set aside for the Diamond Head State Monument sub-account;
- (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 S.B. No. 138, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 138, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1882 Finance on S.B. No. 1923**

The purpose of this bill is to require prior legislative approval for the exchange of public lands controlled by the Department of Land and Natural Resources (DLNR) and other departments and agencies, including the University of Hawaii, Department of Agriculture, Aloha Tower Development Corporation, Agribusiness Development Corporation, and the High Technology Development Corporation. However, there is a three-year exception to this requirement for the exchange of up to 15 acres of public lands that are used as a qualified community center by a qualified eleemosynary organization.

The Chair of the Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and several concerned individuals testified in support of this bill. The Governor's Policy Office, DLNR, and the Hawaii Housing Finance and Development Corporation opposed this measure. The Department of Hawaiian Home Lands and Hawaii Business Roundtable provided comments.

Your Committee has amended this bill by:

- (1) Deleting the exception to the legislative approval requirement for the exchange of up to 15 acres of public lands that are used as a qualified community center by a qualified eleemosynary organization;
- (2) Requiring the prior legislative approval for the sale in fee simple of certain public lands;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1923, 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. 1923, S.D. 2, H.D. 2.

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

**SCRep. 1883 Finance on S.B. No. 1924**

The purpose of this bill is to require prior legislative approval of the sale in fee simple of public lands and other specified lands controlled by the state or federal government and provide a three-year exception for the sale of up to 15 acres of public land that is to be used to construct a qualified community center by a qualified eleemosynary organization, by direct negotiation and without public auction.

The Chair of the Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and several concerned individuals testified in support of this bill. The Governor's Policy Office, DLNR, Department of Agriculture, and the Hawaii Housing Finance and Development Corporation opposed this measure. The Department of the Attorney General, Department of Hawaiian Home Lands, Land Use Research Foundation of Hawaii, Hawaii Business Roundtable, and Castle & Cooke Homes Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Deleting the requirement for prior legislative approval for the sale in fee simple of public lands and other specified lands controlled by the state or federal government;
- (2) Inserting provisions authorizing the Board of Land and Natural Resources to exchange by direct negotiation and without public auction, up to 15 acres of public land as defined in Section 171-2, Hawaii Revised Statutes, that is to be used to construct a qualified community center by a qualified eleemosynary organization;
- (3) Providing that the authorization is for either a sale or an exchange, but not both;
- (4) Providing further that the authorization sunsets in three years;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1924, 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. 1924, S.D. 2, H.D. 2.

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

**SCRep. 1884 Finance on S.B. No. 1500**

The purpose of this bill is to address the unbudgeted expenses needed to implement the administration of the county surcharge on the state general excise tax by making an emergency appropriation of \$5,000,000 for fiscal year 2006-2007 to the Department of Taxation (DOTAX).

DOTAX and the City and County of Honolulu testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1500, S.D. 3, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1885 Finance on S.B. No. 1221**

The purpose of this bill is to support Hawaii's agricultural industry and provide incentives for the designation of Important Agricultural Lands (IALs) by establishing the Important Agricultural Land Agricultural Business Tax Credit amounting to 50 percent of qualified agricultural costs over a three-year schedule as follows:

- (1) 25 percent of the qualified agricultural costs, up to an unspecified maximum, in the year the qualified agricultural costs are incurred;
- (2) 15 percent of the qualified agricultural costs, up to an unspecified maximum, in the year following the year in which the qualified agricultural costs are incurred; and
- (3) 10 percent of the qualified agricultural costs, up to an unspecified maximum, in the second year following the year in which the qualified agricultural costs are incurred.

The Department of Agriculture, Land Use Research Foundation of Hawaii, and the Hawaii Crop Improvement Association supported this bill. Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., and Hawaii Farm Bureau Federation supported this bill with amendments. The Hawaii Agriculture Research Center supported the intent of this measure.

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

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 902, H.D. 2, with additional amendments. As amended, this bill:

- (1) Establishes the Important Agricultural Land Agricultural Business Tax Credit amounting to 100 percent of qualified agricultural costs incurred by an agricultural business during the taxable year; and
- (2) Contains an effective date of 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 S.B. No. 1221, 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. 1221, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1886 Finance on S.B. No. 898**

The purpose of this bill is to better evaluate the effectiveness of high-technology tax incentives by requiring:

- (1) The Department of Taxation (DoTAX) to report to the Legislature by October 1, 2007, of summary statistics on all currently available information and data collected from high technology businesses;

- (2) Qualified high technology businesses benefiting from the high technology business investment and research activities tax credits, to submit employment information to DoTAX for taxable years beginning after December 2006; and
- (3) DoTAX to submit to the Legislature annual reports of summary statistics and evaluations of the effectiveness of the tax credits by September 1, 2008, and September 1<sup>st</sup> of each year thereafter.

The Department of Business, Economic Development, and Tourism and High Technology Development Corporation testified in support of the intent of this bill. DoTAX, PacificCap Group, Hawaii Venture Capital Association, Hawaii Science and Technology Council, Ambient Micro LLC, Trade West, Inc., Cardax Pharmaceuticals, and several concerned individuals testified in opposition to this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Raising the recapture amount from 10 percent to 100 percent of the amount of the total credit claimed in the preceding five taxable years rather than the preceding two taxable 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 S.B. No. 898, 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. 898, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1887 Finance on S.B. No. 1034**

The purpose of this bill is to level the playing field and create a fairer market for all inter-island airlines by exempting common carriers from the general excise (GE) and use taxes for fuel for use in intrastate transportation.

The Tourism Liaison of the Department of Business, Economic Development, and Tourism, Aloha Airlines, Hawaiian Airlines, Chamber of Commerce of Hawaii, Hawaii Chapter of the March of Dimes, Hawaii Fueling Facilities Corporation, Aloha Airlines Pilots' Union, Association of Flight Attendants, Transport Workers Union, International Association of Machinists and Aerospace Workers and Plumbers and Fitters Union supported this bill. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Inserting a cap of \$3.8 million in exemptions from the GE and use taxes;
- (2) Requiring a report from DOTAX regarding revenue loss in the first year of the tax exemption;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion;
- (4) Inserting a sunset date of December 31, 2009; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1034, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1034, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1888 Finance on S.B. No. 613**

The purpose of this bill is to improve early childhood education in the state by:

- (1) Improving the junior kindergarten program;
- (2) Promoting the training and professional development of early childhood educators;
- (3) Increasing the availability of facilities for early childhood education programs; and
- (4) Appropriating funds for these purposes.

A concerned individual testified in support of this bill. The Good Beginnings Alliance and Early Learning Educational Task Force supported the intent of this measure. The Department of Education (DOE) did not support this bill. The Hawaii Down Syndrome Congress offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the Department of Human Services is required to submit annual reports to DOE regarding its inspection of early childhood education facilities;
- (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 S.B. No. 613, 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. 613, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1889 Finance on S.B. No. 871**

The purpose of this bill is to encourage food waste recycling by establishing a three-year food waste recycling pilot project in one or more school districts, to be developed and implemented by the Department of Education (DOE) in partnership with the Department of Health (DOH), as part of the State's integrated solid waste management plan.

Eco-Feed, Inc., and a concerned individual testified in support of this bill. DOE did not support this measure. DOH opposed this bill.

Your Committee has amended this bill by:

- (1) Changing the source of funding from the general fund to the environmental management special fund;
- (2) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 871, 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. 871, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1890 Finance on S.B. No. 885**

The purpose of this bill is to establish an educational infrastructure that prepares students for work in the agriculture and agriculture-related industries by:

- (1) Broadening the Department of Education (DOE) Agriculture Education Program to include instruction in healthy eating habits and educational opportunities in the fields of farming, diversified agriculture, culinary arts, landscaping, and related industries such as market development and science and technology;
- (2) Requiring DOE to report to the 2008 and 2009 Legislatures on its progress toward establishing the new components of the program; and
- (3) Appropriating funds for this purpose.

DOE, the Workforce Development Council, University of Hawaii System, a member of the Honolulu City and County Council, Hawaii State Teachers Association, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and Hawaii Crop Improvement Association supported this bill. The Department of Agriculture submitted comments.

Your Committee has amended this bill by:

- (1) Blanking out the \$500,000 appropriation;
- (2) Changing the effective date to July 1, 2020, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 885, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 885, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Chong, Hanohano, Magaoay and Manahan.

**SCRep. 1891 Finance on S.B. No. 1614**

The purpose of this bill is to improve teacher quality, recruitment, and retention at Waianae complex schools by appropriating funds to implement a human resource management model pilot project for these schools, which consist of Waianae High School and its elementary and intermediate feeder schools.

The Department of Education, Waianae High School, Makaha Elementary School, Waianae High School Community Council, and Hawaii State Teachers Association 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;
- (2) Inserting a repeal date of July 1, 2023; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1614, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1614, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1892 Finance on S.B. No. 1820**

The purpose of this bill is to provide the Department of Education (DOE) with more flexibility in acquiring new public school facilities by:

- (1) Authorizing DOE to enter into financing agreements with the concurrence of the Director of Finance and without the approval of the Comptroller; and
- (2) Establishing a separate account within the State Educational Facilities Improvement Special Fund for lease payments required by financing agreements entered into by DOE.

In addition, this bill changes the limit on financing agreements for the University of Hawaii to an unspecified amount.

DOE and the Representative from the Eleventh State House District supported this bill. A concerned individual supported this bill with amendments. The Department of Budget and Finance opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1820, 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. 1820, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1893 Finance on S.B. No. 1932**

The purpose of this bill is to ensure a clean and safe environment for Hawaii's students by:

- (1) Appropriating moneys from the General Fund and the State Educational Facilities Special Fund to reduce the backlog of repair and maintenance projects for Department of Education (DOE) school facilities;
- (2) Appropriating General Fund moneys and authorizing the issuance of general obligation bonds to reduce the backlog of repair and maintenance projects in the University of Hawaii (UH) system; and
- (3) Requiring DOE to prepare and utilize suitable unused public school facilities for early childhood education programs, and appropriating funds for this purpose.

UH and the Hawaii State Teachers Association testified in support of this bill. The Department of Human Services, DOE, Early Learning Educational Task Force, and the Good Beginnings Alliance offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1932, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1932, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1894 Finance on S.B. No. 992**

The purpose of this bill is to clarify that naphtha sold for use in a power-generating facility will be assessed a 1 cent per gallon fuel tax.

The Department of Health, Department of Taxation, Kauai Island Utility Cooperative, and Hamakua Energy Partners testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion, and repealing the measure on December 31, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, 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. 992, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1895 Finance on S.B. No. 1222**

The purpose of this bill is to clarify that the renewable energy tax credit applies only to renewable energy technology systems that are installed and placed in service within the state.

The Hawaii Energy Policy Forum and the Hawaii Renewable Energy Alliance testified in support of this bill. The Department of Taxation supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to apply to taxable years after December 31, 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1222, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1222, S.D. 3, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1896 Finance on S.B. No. 1447**

The purpose of this bill is to make housekeeping amendments to implement laws relating to the Hawaii Public Housing Authority (HPHA) that were enacted during the Regular Session of 2006.

HPHA testified in support of this measure. The City and County (C&C) Department of Community Services (DCS) supported the intent of this measure.

A proposed draft was circulated for consideration prior to the hearing that replaces the contents of the measure with an appropriation to assist developers in contracting for third party review and certification to expedite the processing and issuance of grading, building, and ministerial permits for affordable housing projects, as

defined by the Hawaii Housing Finance and Development Corporation (HHFDC). The proposed draft also contains an effective date of July 1, 2020, to encourage further discussion.

C&C DCS, C&C Department of Planning and Permitting, and Housing Hawaii testified in support of the proposed draft. HHFDC supported the intent of the proposed draft.

Your Committee has amended this bill by adopting the proposed draft and further amending it by:

- (1) Applying the appropriation only to third party reviews of building permit applications; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1447, 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. 1447, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1897 Finance on S.B. No. 1352**

The purpose of this bill is to make housekeeping amendments to implement laws relating to the Hawaii Housing Finance and Development Corporation (HHFDC) that were enacted during the Regular Session of 2006.

HHFDC and two members of the Maui County Council testified in support of this bill.

Your Committee has amended this bill by:

- (1) Extending from 45 days to 75 days the period of time a county legislative body has to approve or disapprove a housing project;
- (2) Extending from 45 days to 75 days the period of time the Land Use Commission has to approve or disapprove a boundary change;
- (3) Removing provisions that made clarifications to an appropriation for the 2006-2007 fiscal year to the Hawaii Habitat for Humanity Association;
- (4) Changing the effective date for provisions that appropriated funds for the 2006-2007 fiscal year to take effect retroactively to July 1, 2006; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, 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. 1352, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1898 Finance on S.B. No. 798**

The purpose of this bill is to create a one-time tax credit for victims of the October 15, 2006, earthquake and make appropriations out of the Emergency and Budget Reserve Fund for repair and remediation of damage to the Hulihee Palace and to Natural Energy Laboratory of Hawaii Authority water pipelines caused by the earthquake.

For purposes of the public hearing, your Committee circulated a proposed H.D. 2 version that deletes the provisions of the bill and inserts new language extending for one year the lapse date of emergency disaster relief appropriations made by Act 118, Session Laws of Hawaii 2006.

The Department of Defense, Department of Land and Natural Resources, and Department of Transportation testified in support of this proposed H.D. 2. The Daughters of Hawaii provided comments.

Your Committee has further amended the proposed H.D. 2 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 S.B. No. 798, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 798, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1899 Finance on S.B. No. 162**

The purpose of this bill is to protect and preserve the history of the Hawaiian monarchy by:

- (1) Designating Iolani Palace as the State of Hawaii Museum of Monarchy History;
- (2) Exempting the State of Hawaii Museum of Monarchy History from the standards and conditions related to the receipt of funds contained in Chapter 42F, Hawaii Revised Statutes;
- (3) Requiring the Friends of Iolani Palace to submit annual reports to the Legislature on the use of state funds; and
- (4) Authorizing the Comptroller and State Auditor to examine the use of state funds appropriated to the State of Hawaii Museum of Monarchy History.

The Friends of Iolani Palace and Office of Hawaiian Affairs testified in support of this bill. The Department of Land and Natural Resources 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 clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162, 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. 162, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1900 Finance on S.B. No. 1756**

The purpose of this bill is to expedite the designation of Important Agricultural Lands (IALs) by the Land Use Commission (LUC) by:

- (1) Repealing the existing petition process for landowners or farmers who wish to designate their lands as IALs, and establishing a revised landowner petition process for IAL designation that is codified in the Hawaii Revised Statutes (HRS);
- (2) Exempting the landowner petition process from the stipulation that legislation establishing incentives and protections for IALs be enacted for the designation to take effect;
- (3) Repealing the county process for identifying and mapping IALs;
- (4) Requiring the LUC to, in consultation with certain other private and public entities, identify and designate lands as IALs; and
- (5) Allowing the LUC to initiate designation of IALs.

In addition, this bill establishes a list of permissible uses for IALS and revises the list of permissible uses for agricultural lands.

Kamehameha Schools supported this bill. The Department of Agriculture supported this bill with amendments. The Office of Planning supported the intent of this measure. A member of the Kauai County Council, Department of Planning and Permitting of the City and County of Honolulu, Hawaii County Planning Department, Hawaii's Thousand Friends, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Hawaii Farm Bureau Federation, and a concerned individual opposed this bill. The Hawaii Association of REALTORS submitted comments.

Your Committee has amended this measure by

- (1) Deleting the provisions that:
  - (A) Repeal the existing petition process for landowners or farmers who wish to designate their lands as IALs and establish a revised landowner petition process for IAL designation that is codified in the HRS;
  - (B) Exempt the revised landowner petition process from the stipulation that legislation establishing incentives and protections for IALs be enacted for the designation to take effect;
  - (C) Repeal the county process for identifying and mapping IALs;
  - (D) Require the LUC to, in consultation with certain other private and public entities, identify and designate lands as IALs;
  - (E) Allow the LUC to initiate designation of IALs; and
  - (F) Revise the list of permissible uses for agricultural lands;
- (2) Amending the list of permissible uses for IALs by deleting agricultural worker housing and farm dwellings related to farming and animal husbandry from the list;
- (3) Establishing a new landowner petition process in session law that allows a landowner to petition for IAL designation and exempting the new landowner petition process from the stipulation that legislation establishing incentives and protections for IALs be enacted for the designation to take effect;
- (4) Changing its effective date to July 1, 2020, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1756, 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. 1756, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1901 Judiciary on S.B. No. 1400**

The purpose of this bill is to protect elderly consumers in our communities by requiring financial institutions to report suspected financial abuse directed towards, targeting, or committed against an elder, to law enforcement or the Department of Human Services (DHS), under the authority of part X of Chapter 346, Hawaii Revised Statutes (HRS).

The Department of Commerce and Consumer Affairs, DHS, Hawaii Financial Services Association, and Legal Aid Society of Hawaii supported this bill. The Hawaii Bankers Association supported the intent of this bill. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Removing references to DHS and the authority of part X of Chapter 346, HRS, from this measure;
- (2) Redefining "financial abuse" to mean the wrongful taking, withholding, appropriation, or use of an elder's money, real property, or personal property or any attempt or inducement to commit such acts. Financial abuse may involve coercion, manipulation, threats, intimidation, misrepresentation, or exertion of undue influence;
- (3) Limiting the definitions of "elder" and "financial abuse" to the new section added by this bill, instead of applying them to the entire Code of Financial Institutions, Chapter 412, HRS; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

Through this amended bill, your Committee has:

- (1) Clarified that this measure applies to "financial institutions" as defined in Chapter 412, HRS, meaning a Hawaii or federal or foreign institution operating in the state;
- (2) Deleted references to Chapter 346, HRS, relating to dependent adults, to allow for easier implementation by financial institutions;
- (3) Limited the mandatory reporting requirements to local law enforcement agencies by deleting the reporting option to DHS; and
- (4) Inserted a clearer, more precise definition of "financial abuse" to provide financial institutions with better criteria in determining whether financial abuse has occurred.

As affirmed by the record of votes of 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. 1400, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1400, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1902                    Judiciary on S.B. No. 1603**

The purpose of this bill is to reduce the exposure of state and county governments to liability and keep public beach parks with potentially dangerous conditions open to the public by:

- (1) Making permanent certain liability protections for state and county governments relating to use of public beach parks; and
- (2) Providing state and county governments with a permanent exception from liability for the acts and omissions of county lifeguards while acting in the scope of employment.

The Department of the Attorney General, Department of Commerce and Consumer Affairs, Office of Hawaiian Affairs, State Fire Council, Hawaii State Association of Counties, Corporation Counsel of the City and County of Honolulu (Honolulu County), Emergency Services Department of Honolulu County, Mayor of the Hawaii County, a member of the Hawaii County Council, Department of Parks and Recreation of the County of Hawaii, Hawaii County Fire Department, Kauai County Fire Department, the Chair and a member of the Maui County Council, Department of the Corporation Counsel of Maui County, Hawaii Government Employees Association, Hawaiian Lifeguard Association, Hawaii Medical Association, and several concerned individual supported this bill. Department of Land and Natural Resources supported this bill in part. The Consumer Lawyers of Hawaii opposed this measure.

Your Committee has received prior concurrence from the Chair of your Committee on Water, Land, Ocean Resources, and Hawaiian Affairs to reinstate provisions that extend the sunset date of Act 82, Session Laws of Hawaii (SLH) 2003. As such, your Committee has amended this bill by:

- (1) Extending to 2010, the sunset date of Act 82, SLH 2003, which establishes a process by which the State and counties are provided protection from liability on improved public lands;
  - (2) Indemnifying county agencies when a state agency uses county facilities or avails itself of county aid or support;
  - (3) Changing the effective date to June 29, 2007, for the sections of this bill that:
    - (A) Make permanent certain liability protections for state and county governments relating to use of public beach parks; and
    - (B) Provide state and county governments with a permanent exception from liability for the acts and omissions of county lifeguards while acting in the scope of employment;
- 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1603, 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. 1603, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Pine.

**SCRep. 1903                    Judiciary on S.B. No. 1636**

The purpose of this bill is to promote drug-free workplaces and improve on-site substance abuse testing by, among other things:

- (1) Amending the definition of "substance abuse on-site screening test" to allow for certain oral fluid screening tests; and
- (2) Allowing a confirmatory urine test to be conducted should a substance abuse on-site screening test using oral fluids produce a positive result.

Your Committee received testimony in support of the measure from Branan Medical Corporation, Building Industry Association of Hawaii, Castle & Cooke Homes Hawaii, Inc., Emerald Bay Consulting, LLC, General Contractors Association of Hawaii, Na Hoku Company, Mililani Town Association, Hawaii Carpenters Union, Local 745, Ralph S. Inouye Co., Ltd., Waiawa Ridge Development LLC, S & M Sakamoto, Inc., Hawaii Dredging Construction Company, Oceanic Time Warner Cable, Hidano Construction, Inc., The Pacific Resource Partnership, and Kapolei Property Development, LLC. The Department of Labor and Industrial Relations supported the intent of this bill and suggested amendments. Clinical Labs of Hawaii and Straub Doctors on Call opposed the measure. The Department of Health, Diagnostic Laboratory Services, Inc., and Reliable Drug Testing Services, Inc., submitted comments.

Your Committee has amended this measure by:

- (1) Redefining "substance abuse on-site screening test" to mean a portable substance abuse test that may be used by an employer in a workplace, or by a union, in its normal course of business;
- (2) Revising the definition of "substance abuse test" by repealing the provision that specifies that substance abuse on-site screening tests are included within the meaning of "substance abuse test";
- (3) Repealing existing substance abuse on-site screening test requirements relating to the FDA package insert, applicable guidelines adopted by the FDA, and approval by the Director of Health;



- (4) Establishing, in lieu of item (3), the requirement that every employer or union using a substance abuse on-site screening test administer it according to the package insert that accompanies the test;
- (5) Repealing the existing requirement that every employer using a substance abuse on-site screening test adhere to rules related to specimen collection, urine specimens, shipping of specimens, chain of custody, and confidentiality;
- (6) Establishing that an indication of the presence of drugs by the substance abuse on-site screening test shall not be used to deny or deprive a person of employment or benefits, or result in any adverse action against the employee or prospective employee, unless the substance abuse test is conducted according to certain established procedures and a follow up referral is made to a licensed laboratory as specified in item (8);
- (7) Deleting the provision that allows a confirmatory urine test to be conducted should a substance abuse on-site screening test using oral fluids produce a positive drug test result;
- (8) Repealing existing provisions relating to procedures and requirements for a positive drug test result and instead, establishing that upon the indication of the presence of drugs by the substance abuse on-site screening test, the employer or union shall refer the employee or prospective employee to a licensed laboratory within two hours of the detection of drug presence, at the cost of the employer or union;
- (9) Establishing that any information concerning the on-site screening test shall be strictly confidential;
- (10) Prohibiting employers from suspending, discharging, or discriminating against an employee because the employee tested positive for the presence of drugs through the substance abuse on-site screening test; and
- (11) 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. 1636, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1636, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1904 Finance on S.B. No. 1365**

The purpose of this bill is to increase the levels of capital available to fuel the innovation sector of Hawaii's economy by:

- (1) Requiring the Employees' Retirement System (ERS) to consider Hawaii venture capital investment opportunities unless it is not prudent to do so;
- (2) Capping ERS investments in Hawaii venture capital investments at an unspecified percent of system funds; and
- (3) Appropriating funds for a partnership between the University of Hawaii's (UH) Office of Technology Transfer and Economic Development and a qualified private sector entity to help transform UH innovations into commercial products.

The Department of Business, Economic Development, and Tourism, UH System, High Technology Development Corporation, UH's Office of Technology Transfer and Economic Development, Hawaii Strategic Development Corporation, Enterprise Honolulu, MicroNose Technologies, Inc., and many concerned individuals testified in support of this bill. Several concerned individual supported the intent of this measure. The Hawaii Government Employees' Association opposed this bill. The Director of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Requiring ERS, by January 1, 2009, to the extent that it is prudent to do so, to develop criteria to ensure that in considering any investment in an out-of-state private placement, it shall determine whether there is available, and instead invest in any Hawaii private placement that is of equal or lesser risk and equal or greater return;
- (2) Capping Hawaii private placement investments at three percent of ERS funds;
- (3) Mandating ERS to require its investment manager to consider Hawaii venture capital investments, which may include having the investment manager establish a physical presence in Hawaii;
- (4) Specifying the UH's Office of Technology Transfer and Economic Development as the expending agency of the appropriation;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1365, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1365, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Sagum and Tokioka.

**SCRep. 1905 Finance on S.B. No. 973**

The purpose of this bill is to ensure continued community-based primary care for people who are uninsured, underinsured, or Medicaid recipients, by helping the community health center system to remain financially viable and stable in the face of the increasing needs of this population. Specifically, this bill:

- (1) Creates a process through which community health centers and rural health centers will receive supplemental Medicaid payments and seek modifications to their scope of services;
- (2) Appropriates funds to the Department of Human Services (DHS) to implement the prospective payment system; and
- (3) Appropriates funds to the Department of Health (DOH) to adequately pay for direct medical care to the uninsured.

The Hawaii Primary Care Association, Healthcare Association of Hawaii, Hamakua Health Center, Waimanalo Health Center, West Hawaii Community Health Center, Inc., Community Clinic of Maui, Kalihi-Palama Health Center, Waikiki Health Center, Kokua Kalihi Valley, Waianae Coast Comprehensive Health Center, and several concerned individuals testified in support of this bill. DOH and DHS offered comments.

Your Committee has amended this bill by, among other things:

- (1) Allowing, rather than requiring, the reconciliation of managed care supplemental payments to a federally qualified health center or rural health center to be made according to specific procedures;
- (2) Allowing, rather than requiring, DHS to agree to the projected adjusted rate proposed by the federally qualified health center or rural health center;
- (3) Allowing, rather than requiring, the prospective payment system rate to be adjusted following a review of the fiscal agent of the cost reports and documentation;
- (4) Allowing, rather than requiring, Medicaid to pay for a maximum of one visit per day for services such as dental or behavioral health in addition to one medical visit;
- (5) Allowing, rather than requiring, DOH to provide resources to nonprofit, community-based health care providers for direct medical care to the uninsured;
- (6) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973, 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. 973, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1906 Finance on S.B. No. 1457**

The purpose of this bill is to appropriate emergency funding necessary to cover increasing expenses relating to the ongoing operation, services, and activities of the Developmental Disabilities Division (DD Division) of the Department of Health (DOH).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 248 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

Specifically, this bill appropriates \$4,980,523 for fiscal year 2006-2007 out of general revenues to be used to:

- (1) Sustain the ongoing operation and services of the DD Division of DOH;
- (2) Provide individuals with developmental disabilities or mental retardation, home and community-based services; and
- (3) Increase admission into Medicaid State Plan Intermediate Care Facilities for the Mentally Retarded in the Community Program.

This bill further appropriates \$4,111,237 to increase the expenditure ceiling of the Interdepartmental Transfer Fund.

DOH, the State Council on Developmental Disabilities, and Family Voices of Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying DOH as the expending agency for the additional appropriation of \$4,111,237; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1457, 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. 1457, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1907 Finance on S.B. No. 600**

The purpose of this bill is to provide an incentive for lessors to sell their fee interest in residential properties to lessees by temporarily excluding from taxable income 100 percent of the gain realized from the sale of the leased fee interest to the association of apartment owners or the residential cooperative corporation of the leasehold units.

The Hawaii Association of REALTORS, Hawaii Council of Associations of Apartment Owners, and a concerned individual testified in support of this bill. The Department of Taxation provided comments.

Your Committee has amended this bill by:

- (1) Leaving blank the percentage of gains realized upon which the exclusion is based;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion;
- (3) Changing the period for which the exclusion is available to the 2008 and 2009 taxable years; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 600, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 600, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1908 Finance on S.B. No. 1184**

The purpose of this bill is to protect certain vulnerable adults from abuse and financial exploitation by strengthening and clarifying the laws on adult protective services.

The Disability and Communication Access Board, Healthcare Association of Hawaii, Catholic Charities Hawaii, and Kokua Council supported this bill. The National Association of Social Workers, Hawaii Chapter, and AARP Hawaii supported this bill with amendments. The Department of Human Services (DHS) opposed this measure. The Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Requiring DHS to:
  - (A) Work with interested stakeholders to develop a plan to build the capacity of community-based services to help with the provision of services under this Act;
  - (B) Examine the child welfare services model and research best practices regarding elder abuse to develop a risk matrix;
  - (C) Expand its data collection efforts, including specific data regarding persons served and persons denied service by adult protective services and certain other related data; and
  - (D) Submit reports to the Legislature no later than twenty days prior to the convening of the Regular Session of 2008, and each Regular Session thereafter;
- and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1184, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1909 Finance on S.B. No. 1779**

The purpose of this bill is to ensure the safety and well-being of Hawaii's children by:

- (1) Establishing a two-year statewide task force to review, assess, and make recommendations on the state's system responses to cases of sexual crimes committed against and by children; and
- (2) Allowing the Family Court to pursue the option of legal guardianship for a child, in appropriate cases.

The Department of Human Services, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, and Children's Alliance of Hawaii testified in support of this bill. The Department of Education supported the intent of this measure. The Department of the Attorney General and Children's Justice Center provided comments.

Your Committee has amended this bill by:

- (1) Removing all appropriations;
- (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 S.B. No. 1779, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1779, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1910 Finance on S.B. No. 1642**

The purpose of this bill is to establish clear distinctions between mandatory, excluded, and permissive subjects of collective bargaining. Specifically, this measure:

- (1) Allows a public employer to negotiate over procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions; and
- (2) Subjects violations of negotiated and agreed-upon procedures and criteria to the grievance procedure contained in a collective bargaining agreement.

The Hawaii State Teachers Association and Hawaii Government Employees Association testified in support of this bill. The Office of Collective Bargaining, Department of Human Resources Development, Judiciary, Department of the Attorney General, Department of Education, Department of Human Resources of the County of Hawaii, Department of Personnel Services of the County of Maui, Department of Human Resources of the City and County of Honolulu, Hawaii Police Department, and Maui Police Department opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2007; provided that the amendments made to section 89-9(d), Hawaii Revised Statutes, by the Act shall not be repealed when that section is re-enacted on July 1, 2008, by section 8 of Act 245, Session Laws of Hawaii, 2005; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1642, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1642, S.D. 1, H.D. 1.

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

**SCRep. 1911 Finance on S.B. No. 750**

The purpose of this bill is to improve regulation of vacation rental and bed and breakfast establishments in the state by having the Department of Taxation (DOTAX) coordinate with the Hawaii Tourism Authority (HTA) and the respective counties to require the identification of and allow the audit of, owners of residential properties subject to the Transient Accommodations Tax (TAT) who operate vacation rentals and bed and breakfast establishments (owners of transient accommodations).

This bill also:

- (1) Requires the counties and HTA to provide DOTAX with the location of vacation rentals or bed and breakfast establishments subject to the TAT;
- (2) Requires DOTAX to report to the Legislature, on an annual basis, the TAT revenues received from owners of transient accommodations subject to the TAT and an estimate of lost TAT revenues due to lack of county enforcement of tax laws;
- (3) Requires DOTAX to review the forms and process for the collection of the TAT and submit a report of its review and any findings and recommendations, including proposed state and county enforcement and compliance initiatives and the appropriate funding mechanism to reimburse the counties, to the Legislature at least 20 days prior to the convening of the Regular Session of 2008; and
- (4) Provides an appropriation to DOTAX for the additional investigations provided for in this bill.

Windward Ahupuaa Alliance and a large number of concerned individuals testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu and several concerned individuals supported this measure with amendments. The Department of Taxation and a large number of concerned individuals opposed this bill. The Hawaii Tourism Authority, Keep It Kailua!, Maui Vacation Rental Owners Association, and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Requiring the counties to establish the criteria for the "control over," rather than "permitting of" vacation rentals and bed and breakfast establishments; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 750, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 750, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1912 Finance on S.B. No. 1093**

The purpose of this bill is to ensure the health of our ocean ecosystem by appropriating funds for the development of an ocean health consensus project by the Center for Conservation Research and Training of the University of Hawaii to build community-based consensus in Hawaii for managing ocean ecosystem resources.

The Nature Conservancy of Hawaii and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. A concerned individual opposed this bill. The John A. Burns School of Medicine, University of Hawaii at Manoa provided comments.

Your Committee has amended this bill by:

- (1) Specifying that a coordinated, transparent process is to be established to create community-based consensus for developing marine resource regulation to manage Hawaii's ocean resources;
- (2) Eliminating need as a basis for consensus-building;
- (3) Adopting an adaptive management approach rather than a precautionary approach as one of the principles the project is to be based on;
- (4) Using a professional facilitator to assist participants the project in determining roles and responsibilities, ground rules, and desired goals, outcomes, and benchmarks, rather than having the project participants clarify who is to be in charge;
- (5) Requiring consensus agreement on all ideas discussed and considered, rather than just the most important interests of all participants;
- (6) Requiring the consultation of:
  - (A) The director of the Joint Institute of Marine and Atmospheric Research of the University of Hawaii;
  - (B) The director of the Hawaii Institute of Marine Biology;
  - (C) The director of the National Marine Fisheries Service Pacific Island Fisheries Science Center; and
  - (D) The Administrator of the United States Fish and Wildlife Service, Pacific Islands;
- (7) Requiring the Center for Conservation Research and Training to submit to the 2008 Legislature, a report on the outcomes of the ocean consensus project, to build community-based consensus that explores viable options to establish a coordinated, transparent process for developing marine resource regulations to manage Hawaii's ocean resources;
- (8) Changing the effective date to July 1, 2020, to encourage further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1093, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1093, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1913 Finance on S.B. No. 1177**

The purpose of this bill is to prepare our youth to become global leaders by appropriating funds to the East-West Center through the University of Hawaii for the establishment of a Global Youth Center in Hawaii that will work in conjunction with various individuals and organizations to:

- (1) Develop educational programs, conduct original research, and link diverse people and organizations to address global problems;
- (2) Serve as a clearinghouse for information on youth policy activities internationally; and
- (3) Ensure that Hawaii students, particularly public school students, are provided with opportunities to participate in programs and activities, including meetings and forums, that address and increase awareness of global issues.

The Department of Business, Economic Development, and Tourism, Director of Economic Development of the Office of the Mayor of the City and County of Honolulu, East-West Center, United Nations Association of the United States of America-Hawaii Division, Ke Eahou Fund, Pugwash Conferences on Science and World Affairs, and numerous concerned individuals testified in support of this bill. The University of Hawaii supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1177, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1914 Finance on S.B. No. 1382**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (2) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting two new parts that appropriate unspecified sums relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in unit (2) and their excluded counterparts;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1382, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Manahan, Mizuno, Sagum, Awana, Meyer and Ward.

**SCRep. 1915 Finance on S.B. No. 1383**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (3) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees' Association Managerial and Confidential Employee Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting two new parts that appropriate unspecified sums relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in unit (3) and their excluded counterparts;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1383, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1383, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Manahan, Mizuno, Sagum, Awana, Meyer and Ward.

**SCRep. 1916 Finance on S.B. No. 1384**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (4) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees' Association Managerial and Confidential Employee Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting two new parts that appropriate unspecified sums relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in unit (4) and their excluded counterparts;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1384, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1384, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Manahan, Mizuno, Sagum, Awana, Meyer and Ward.

**SCRep. 1917 Finance on S.B. No. 1386**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (6) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees' Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting two new parts that appropriate unspecified sums relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in unit (6) and their excluded counterparts; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1386, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1386, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Manahan, Mizuno, Sagum, Awana, Meyer and Ward.

**SCRep. 1918 Finance on S.B. No. 1387**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (8) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees' Association Managerial and Confidential Employees Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting two new parts that appropriate unspecified sums relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in unit (8) and their excluded counterparts; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1387, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1387, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Manahan, Mizuno, Sagum, Awana, Meyer and Ward.

**SCRep. 1919 Finance on S.B. No. 1388**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (9) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees' Association Managerial and Confidential Employee Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting two new parts that appropriate unspecified sums relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in unit (9) and their excluded employees;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1388, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1388, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Manahan, Mizuno, Sagum, Awana, Meyer and Ward.

**SCRep. 1920 Finance on S.B. No. 1391**

The purpose of this bill is to appropriate funds for fiscal biennium 2007-2009 to pay for the collective bargaining cost items relating to salary increases and other cost adjustments for officers and employees in collective bargaining unit (13) and their excluded counterparts.

The Office of Collective Bargaining and the Hawaii Government Employees' Association Managerial and Confidential Employee Chapter testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting two new parts that appropriate unspecified sums relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund for officers and employees in unit (13) and their excluded counterparts;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1391, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1391, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Chong, Manahan, Mizuno, Sagum, Awana, Meyer and Ward.

**SCRep. 1921 Finance on S.B. No. 837**

The purpose of this bill is to preserve agricultural lands on Oahu by authorizing the Agribusiness Development Corporation (ADC) to purchase, via general funds or revenue bonds, agricultural lands located in the Kunia and Ewa areas of Oahu and to lease the lands for up to fifty-five years. In addition, this bill provides additional flexibility to ADC by allowing ADC to:

- (1) Purchase, accept, maintain, and transfer permanent conservation easements in accordance with the Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (2) When leasing ADC-controlled agricultural land, contract with a financial institution that is transacting business in this state to provide lease management services.

The University of Hawaii, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, and the Hawaii Crop Improvement Association supported this bill. The Department of Planning and Permitting of the City and County of Honolulu supported this bill with reservations. The Department of Agriculture and ADC submitted comments.

Your Committee has amended this measure by:

- (1) Allowing the agricultural lands in Kunia and Ewa to be purchased through general obligation bonds (GO) and reimbursable GO bonds;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 837, 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. 837, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1922 Finance on S.B. No. 323**

The purpose of this bill is to improve the ability of the High Technology Development Corporation (HTDC) and the High Technology Innovation Corporation (HTIC) to facilitate growth of Hawaii's high technology industry by:

- (1) Making an appropriation to continue current levels of funding for the Hawaii Small Business Innovation Research Grant and Hawaii Small Business Technology Transfer Grant Programs, which help small high technology businesses to compete more successfully for and obtain federal research and development funding;
- (2) Providing that all HTDC general administrative and fiscal positions must only be funded with general funds and appropriating general funds for these positions; and
- (3) Specifically allowing the HTIC to establish bank accounts in both in-state and out-of-state locations.

HTDC testified in support of this bill. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the purpose section;
- (2) Removing the provision that all HTDC general administrative and fiscal positions only be funded with general funds;
- (3) Removing all appropriation amounts;
- (4) Changing the effective date to upon approval; 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 S.B. No. 323, 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. 323, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1923 Finance on S.B. No. 707**

The purpose of this bill is to:

- (1) Encourage investment in business in targeted low-income communities in Hawaii; and
- (2) Benefit from the infrastructure established by the successful federal new markets tax credit,

by establishing a state credit equal to the federal new market tax credit for investments in Hawaii made through a qualified community development entity located in Hawaii.

Chun, Kerr, Dodd, Beaman, and Wong, a Limited Liability Law Partnership, Hawaii Science and Technology Council, KUD International LLC, and Phase 3 Properties testified in support of this bill. The Department of Business, Economic Development, and Tourism, Department of Taxation, and The Chamber of Commerce of Hawaii testified in support of the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the credit allowed under this bill to an unspecified percentage of an investment made through a qualified community development entity;
- (2) Changing the effective date to July 1, 2020, and providing that this credit will sunset on December 31, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 707, 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. 707, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1924 Finance on S.B. No. 1804**

The purpose of this bill is to establish additional funding resources for the Trauma System Special Fund (Special Fund) to ensure the continued viability of trauma centers in the state.

Among other things, this measure:

- (1) Establishes surcharges for traffic violations and various criminal convictions related to violence;
- (2) Establishes surcharges for violations that result in accidents involving death or bodily injury;
- (3) Requires the Department of Health (DOH) to establish a methodology to calculate costs incurred by hospitals providing care to trauma patients for reimbursement purposes; and
- (4) Makes appropriations into and out of the Special Fund.

The Queen's Medical Center testified in support of 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 encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1804, 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. 1804, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1925 Finance on S.B. No. 1919**

The purpose of this bill is to provide comprehensive assistance for individuals to reach self-sufficiency by, among other things:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to annually establish a self-sufficiency standard to reflect the cost of living in Hawaii;
- (2) Requiring certain public assistance payments to be based on the self-sufficiency standard;
- (3) Establishing an Earned Income Tax Credit;
- (4) Requiring the Department of Human Services (DHS) to offer financial education to applicants for and recipients of Temporary Assistance for Needy Families and appropriating funds for this purpose;
- (5) Requiring DHS to provide technical and administrative assistance to fiduciary organizations participating in the State's Individual Development Account (IDA) program, and allowing DHS to expend funds for IDAs; and
- (6) Appropriating \$2,000,000 for fiscal year 2007-2008 for fiduciary organizations to conduct IDA programs.

The Hawaii Government Employees Association; ILWU Local 142; Hawaii State AFL-CIO; Hawaii Alliance for Community-Based Economic Development; National Association of Social Workers, Hawaii; Aloha United Way; 3Point; American Association of University Women, Windward Branch; Asset Building Initiative of Hawaii; and several concerned individuals testified in support of this bill. DBEDT supported the intent of this measure. DHS, the Department of Taxation, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting purpose language;
- (2) Deleting the provisions relating to the establishment of a self-sufficiency standard;
- (3) Changing the appropriation for fiduciary organizations to conduct individual development account programs, to an unspecified amount to encourage further discussion;
- (4) Deleting the provision that would allow one motor vehicle purchase for school or work transportation to be considered a qualified expenditure for the purpose of IDAs;
- (5) Deleting the provision authorizing DHS to expend funds for IDAs;
- (6) Changing the effective date to July 1, 2020; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1919, 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. 1919, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1926 Finance on S.B. No. 1946**

The purpose of this bill is to increase the safety and effectiveness of dams and reservoirs and prevent future dam failures in the state. Specifically, this bill, among other things:

- (1) Requires the owner or operator of each dam to hold a valid certificate of approval to impound water;



- (2) Allows authorized personnel of the Department of Land and Natural Resources (DLNR) to enter upon any property, public or private, at reasonable times, without notice, to investigate the condition or operation of any dam;
- (3) Makes it unlawful to refuse entry to any authorized personnel of DLNR to inspect a dam or reservoir;
- (4) Grants DLNR rights to injunctive relief to enforce the provisions of Chapter 179D, Hawaii Revised Statutes (Dam and Reservoir Safety Act (Act));
- (5) Allows DLNR, in cases of emergency, to employ immediate remedial measures, at the cost of the owner of a dam or reservoir, to protect life and property;
- (6) Establishes a Dam and Reservoir Safety Special Fund to implement the Act;
- (7) Allows liens to attach to the property of a dam or reservoir owner for the costs of any remedial measures taken by DLNR;
- (8) Requires dams and reservoirs completed prior to the effective date of this bill to apply for a certificate of approval to impound water;
- (9) Requires dams or reservoirs up to 90 percent completed on the effective date of this measure to submit, for approval by DLNR, plans and specifications for any dam or reservoir construction, enlargement, repair, or removal, prior to commencing the work contemplated;
- (10) Permits a dam or reservoir owner to continue to impound water while in the process of applying for a certificate of approval to impound water, unless BLNR determines that the dam or reservoir poses a danger to the health and safety of persons or property;
- (11) Requires DLNR to submit annual reports to the Governor and Legislature relating to the Act;
- (12) Requires dam and reservoirs owners regulated by the Act to, among other things:
  - (A) Maintain an operation and maintenance plan, including an inspection and monitoring program;
  - (B) Establish an emergency action plan for high and significant hazard potential dams and reservoirs;
  - (C) Facilitate access by any necessary state agency or representative to the dam, reservoir, or appurtenances; and
  - (D) Furnish, upon request, plans, specifications, operating and maintenance data, and other pertinent information;
- (13) Gives the State, Board of Land and Natural Resources (BLNR), or DLNR immunity from actions for damages sustained by the failure of private dams or reservoirs regulated by the Dam and Reservoir Safety Act;
- (14) Allows BLNR to catalog and maintain an inventory of all regulated dams and reservoirs under the Act;
- (15) Establishes administrative penalties of up to \$25,000 per day for a first violation of the Act, or any rule, order, or condition adopted pursuant to the Act;
- (16) Makes it a class C felony and establishes monetary criminal fines of up to \$25,000 per day for a first violation, and up to \$50,000 per day for subsequent violations for any person who negligently or with notice, violates the Act, or any rule, order, or condition adopted pursuant to the Act;
- (17) Appropriates into and out of the Dam and Reservoir Safety Special Fund an unspecified amount; and
- (18) Makes other amendments to existing sections of the Act, for purposes of consistency with the new provisions of the Act.

The Department of Land and Natural Resources, Department of the Attorney General, and American Society of Civil Engineers testified in support of this bill. The Office of Hawaiian Affairs and Dole Food Company Hawaii supported the intent of this measure. Kamehameha Schools opposed this bill. The Land Use Research Foundation of Hawaii, Hawaii Farm Bureau Federation, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., 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 style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1946, 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. 1946, S.D. 2, H.D. 2.

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

**SCRep. 1927 Finance on S.B. No. 1283**

The purpose of this bill is to support the University of Hawaii (UH) John A. Burns School of Medicine (JABSOM) by allowing UH to use its allotment of moneys from the Hawaii Tobacco Settlement Special Fund to pay for JABSOM's operating expenses, in addition to paying for debt services.

JABSOM testified in support of this bill. The Department of Budget and Finance, Department of Health (DOH), and Coalition for a Tobacco Free Hawaii testified in opposition to this measure.

Your Committee received assurances from the Interim Dean of JABSOM that a long term business plan that incorporates the operational costs of its Kakaako facilities and projected overhead income generated by extramural research and training would soon be completed. Your Committee looks forward to receiving a copy of the plan when it is completed.

Your Committee has amended this bill by:

- (1) Requiring DOH and UH to prepare a detailed accounting of all revenues and expenditures relating to:
  - (A) The 35 percent of moneys appropriated to DOH for purposes of section 328L-4, Hawaii Revised Statutes;

- (B) Moneys appropriated into the Hawaii Tobacco Prevention and Control Trust Fund;
  - (C) Moneys appropriated into the University Revenue-Undertakings Fund; and
  - (D) Any moneys used for the operating costs of the medical school facility;
- (2) Changing the effective date to July 1, 2007;
  - (3) Adding a sunset date of June 30, 2011; and
  - (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1283, 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. 1283, S.D. 2, H.D. 2.

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

**SCRep. 1928 Finance on S.B. No. 1920**

The purpose of this bill is to improve and enhance various provisions relating to the performing arts and motion picture, digital media, and film production by:

- (1) Recodifying the existing income tax exclusions for performing arts royalties into a new part of Chapter 235, Hawaii Revised Statutes (HRS);
  - (2) Clarifying that the written statement required of taxpayers claiming the Motion Picture, Digital Media, and Film Production Tax Credit (Production Tax Credit):
    - (A) Identify the number of total hires versus the number of qualified local hires by category and by county;
    - (B) Identify evidence of educational or workforce development efforts; and
    - (C) Be used by the Department of Business, Economic Development, and Tourism (DBEDT) to prepare a public report, published biannually, presenting information identifying Production Tax Credit recipients and the aggregate total value of credits received;
- and
- (3) Repealing the Hawaii Television and Film Development Board, and making DBEDT responsible for the Board's duties.

IATSE Local 665 supported this bill. DBEDT, Department of Taxation, Hawaii Science & Technology Council, Cardax Pharmaceuticals, Inc., Ocean Network LLC, and several concerned individuals opposed this bill.

Your Committee has amended this bill by deleting its contents and inserting the substance of Senate Bill No. 1920, S.D. 2, with additional amendments. As amended, this bill differs from the bill as referred to your Committee by:

- (1) Renaming the new part under Chapter 235, HRS, established in this bill as "Motion Picture, Digital Media, and Film Production";
- (2) Establishing the Performance Arts Investment Tax Credit (Investment Tax Credit) and the Tax Credit for Performing Arts Research Activities under the new part;
- (3) Recodifying the Production Tax Credit into the new part, with the amount of the Production Tax Credit unchanged and the limit on Production Tax Credits per qualified production changed to an unspecified amount;
- (4) Prohibiting qualified production costs financed by public funds from the State from being eligible for the Production Tax Credit;
- (5) Prohibiting taxpayers that claim the High Technology Business Investment Tax Credit or the Investment Tax Credit from being eligible for the Production Tax Credit;
- (6) Increasing the recapture amounts under the Investment Tax Credit to 100 percent of the Investment Tax Credits claimed in the preceding five taxable years;
- (7) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1920, 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. 1920, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1929 Finance on S.B. No. 1412**

The purpose of this bill is to expand the authority of the Department of Commerce and Consumer Affairs' (DCCA) insurance fraud investigations unit from prosecuting only motor vehicle insurance fraud to prosecuting fraud in all lines of insurance under Title 24, Hawaii Revised Statutes, except workers' compensation.

DCCA, ILWU Local 142, the American Council of Life Insurers, Hawaii Association of Health Plans, National Association of Insurance and Financial Advisors, Hawaii Medical Service Association, and State Farm Insurance Companies testified in support of this bill. The Attorney General supported this measure with an amendment.

Your Committee has amended this bill by deleting and replacing its substance with provisions that:

- (1) Expand the authority of DCCA's insurance fraud investigations unit to include the investigation and prosecution of workers' compensation fraud;
- (2) Include premium fraud as an offense for which penalties will be applied; and

- (3) Appropriate funds for additional personnel and resources for the insurance fraud investigations unit to prosecute insurance fraud.

This bill, as amended, includes an effective date of 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 S.B. No. 1412, 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. 1412, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1930 Finance on S.B. No. 1823**

The purpose of this bill is to revise the membership, required qualifications of members, and appointment process of the Board of Directors (Board) of the Hawaii Tourism Authority.

The Department of Business, Economic Development, and Tourism testified in opposition to this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the two public, voting members of the Board must have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions;
- (2) Stipulating that one of the three members appointed by the Speaker of the House of Representatives must have knowledge, experience, and expertise in the area of Hawaiian cultural practices; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1823, 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. 1823, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1931 Finance on S.B. No. 1916**

The purpose of this bill is to improve the healthcare and long-term care system by strengthening support for family caregivers. Among other things, this bill:

- (1) Extends the Joint Legislative Committee on Family Caregiving (Joint Committee) for one year;
- (2) Requires the Executive Office on Aging (EOA) to conduct an assessment of care recipients' needs and the needs of their family caregivers;
- (3) Requires EOA to conduct an assessment of the issues facing, and the needs of, grandparents raising grandchildren; and
- (4) Appropriates funds to expand services for care recipients and their family caregivers.

Testifying in support of this bill were the County of Hawaii Office of Aging, Honolulu Committee on Aging, City and County of Honolulu Department of Community Services, Hawaii Aging Advocates Coalition, Hawaii Alliance for Retired Americans, AARP Hawaii, Hospice of Hilo, National Multiple Sclerosis Society, Kokua Council, Occupational Therapy Association of Hawaii, Project Dana, Catholic Charities Hawaii, the Policy Advisory Board for Elder Affairs, ILWU Local 142, Healthcare Association of Hawaii, and many concerned individuals. The Department of Health and EOA offered comments.

Your Committee has amended this bill by:

- (1) Narrowing the focus of the Joint Committee to include family caregivers who assist persons age 60 and older with physical or cognitive disabilities;
- (2) Deleting the appropriation for EOA to conduct the needs assessment;
- (3) Appropriating an unspecified sum for the development of the Aging and Disability Resource Center;
- (4) Deleting the appropriation for EOA to conduct the assessment of grandparents raising grandchildren;
- (5) Changing the effective date to July 1, 2020, to encourage continued discussion; and
- (6) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1916, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1916, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1932 Finance on S.B. No. 1918**

The purpose of this bill is to expand health care coverage for children in the state.

Specifically, this bill:

- (1) Establishes the temporary Hawaii Infant Health Care Program to provide continuous, quality health care services to uninsured newborn children who are between one day and not more than 30 days of age;
- (2) Establishes the temporary Hawaii Children's Health Care Program to provide health care coverage to certain uninsured children between 31 days and under 19 years of age through a public-private partnership between the Department of Human Services and a managed care plan;
- (3) Requires state-funded medical assistance free of charge for certain persons under 19 years of age whose family income is at or below 300 percent of the federal poverty level;

- (4) Requires the Department of Human Services (DHS) to provide medical assistance under QUEST-Net at no charge to children under 19 years of age whose family income is above 250 percent and does not exceed 300 percent of the federal poverty level for Hawaii, and who are otherwise eligible for QUEST-Net benefits;
- (5) Provides funding for the foregoing; and
- (6) Provides funding for purchases of equipment, furniture, and three FTE positions within DHS related to several of the initiatives in this bill.

The Hawaii Primary Care Association, Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Medical Service Association, and a concerned individual supported this bill. Good Beginnings Alliance supported the intent of this measure. The Attorney General opposed this bill. DHS provided comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 1008, H.D. 2, which also expands health care coverage for children in the state.

As amended, this bill differs from Senate Bill No. 1918, H.D. 1, in that it, among other things:

- (1) Reduces the number of exceptions to the Hawaii Children's Health Care Program eligibility criteria;
- (2) Reduces from 19 years to 18 years of age, the maximum age of children eligible for the Hawaii Children's Health Care Program;
- (3) Establishes and provides funding for the Hawaii Infant Care Special Fund to provide up to \$10,000 in continuous, quality health care services to uninsured newborn children between one and 31 days of age and matching funds for a public-private partnership to provide services exceeding \$10,000;
- (4) Removes the appropriation for expanded medical assistance for certain persons under 19 years of age whose family income is at or below 300 percent of the federal poverty level;
- (5) Removes the appropriation for equipment, furniture, and three FTE positions; and
- (6) Contains an effective date of 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 S.B. No. 1918, 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. 1918, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1933 Finance on S.B. No. 603**

The purpose of this bill is to improve public education as delivered through the charter school system by clarifying the functions, duties, and roles of the Board of Education (BOE) and Charter School Review Panel (Panel) in the administration and operations of Hawaii's charter schools.

The Charter School Administrative Office (CSAO), University of Hawaii, Hawaii Charter Schools Network, Volcano School of Arts and Sciences, Connections Public Charter School, Voyager Public Charter School, and numerous concerned individuals testified in support of this bill. Kamehameha Schools and Hookakoo Corporation supported the intent of this measure. The Hawaii State Teachers Association supported this bill in part. BOE, the Hawaii Government Employees Association, and Waialae Elementary Public Charter School offered comments.

Your Committee has amended this bill by:

- (1) Deleting the provision that authorizes local school boards to enter into long-term lease agreements;
- (2) Removing the requirement that CSAO include in its annual budget request:
  - (A) Costs associated with administrative and staff support for the Panel; and
  - (B) A per-pupil amount to start-up charter schools for facilities-related costs;
- (3) Removing the requirement that the Department of Budget and Finance distribute reimbursements for fringe benefit costs to charter schools on a quarterly basis;
- (4) Deleting the appropriation of funds to CSAO for its annual budget requests;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 603, 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. 603, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1934 Finance on S.B. No. 1612**

The purpose of this bill is to continue the State's tradition of environmental leadership by:

- (1) Mandating that the Department of Health (DOH) adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990, to be achieved by 2020;
- (2) Requiring the adoption of rules to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions;
- (3) Requiring the adoption of reporting and verification of statewide greenhouse gas emissions to monitor and enforce compliance; and
- (4) Authorizing the adoption of market-based compliance mechanisms.

The Hawaii Chapter of the Sierra Club, Honolulu Seawater Air Conditioning, LLC., Windward Ahupua‘a Alliance, and a concerned individual supported this bill. Alliance of Automobile Manufacturers and Covanta Energy support the intent of this bill. DOH and the Hawaii Automobile Dealers' Association opposed this measure. The Department of Business, Economic Development, and Tourism (DBEDT), Life of the Land, Hawaiian Electric Company, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., submitted comments.

Your Committee has amended this bill by, among other things:

- (1) Removing provisions requiring the adoption of rules to achieve the maximum feasible and cost-effective greenhouse gas emission reductions, and to monitor and enforce compliance;
- (2) Requiring DBEDT to convene the Climate Change Task Force (Task Force) that shall prepare a scoping plan for achieving reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases by 2020;
- (3) Requiring the Task Force to:
  - (A) Suggest rules governing how market-based compliance mechanisms may be used by regulated entities subject to greenhouse gas emission limits and mandatory emission reporting requirements to achieve compliance with their greenhouse gas emissions limits;
  - (B) Suggest regulation to control mobile sources of greenhouse gas emissions to achieve reductions in statewide greenhouse gas emissions;
  - (C) Conduct a series of public workshops to give interested parties an opportunity to comment on the scoping plan. The Task Force shall conduct at least one of these workshops in each county; and
  - (D) Update the scoping plan to achieve the maximum technologically feasible and cost-effective reductions of greenhouse gas emissions at least once every five years;
- (4) Changing the effective date to July 1, 2025, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1612, 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. 1612, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1935 Finance on S.B. No. 1182**

The purpose of this bill is to provide financial relief to care home operators and patients by:

- (1) Establishing a needs allowance of \$50 per month and providing for annual increases in the allowance;
- (2) Excluding from income tax and exempting from general excise tax the needs allowance received by an operator of a qualified facility or by an individual resident of a qualified facility; and
- (3) Appropriating funds for the needs allowance.

The Department of Human Services (DHS), State Council on Developmental Disabilities, Mayor of the County of Hawaii, Hawaii Long Term Care Association, Hawaii Disability Rights Center, Healthcare Association of Hawaii, Mental Health Association of Hawaii, and numerous concerned individuals testified in support of this bill. The Department of Taxation, Disability and Communication Access Board, Coalition of Care Home Administrators, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Authorizing, instead of mandating, DHS to establish and administer the monthly needs allowance;
- (2) Removing the requirement that the needs allowance be increased annually and the specifications on the requirements pertaining to the use of the needs allowance;
- (3) Removing the income and general excise tax exclusion and exemption;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1182, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1182, S.D. 2, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1936 Finance on S.B. No. 11**

The purpose of this bill is to stem the rising cost of health care by exempting physician services, hospital charges, nursing homes and facilities, and rehabilitation services from the county surcharge on excise tax.

The Department of Taxation (DOTAX), Hawaii Medical Center, and Hawaii Medical Association supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Removing provisions authorizing an exemption for physician services, hospital charges, nursing homes and facilities, and rehabilitation services from the county surcharge on excise tax;

- (2) Inserting provisions exempting private hospitals from the general excise tax if a certain percentage or more of the annual patient population treated by the private hospital consists of uninsured, medicaid, and medicare patients and the hospital spends not less than a certain dollar amount for capital improvement projects at the hospital by December 31 of an unspecified year;
- (3) Requiring qualifying private hospitals to verify to DOTAX that the prior annual patient population consisted of a certain percentage or more of uninsured, medicaid, and medicare patients;
- (4) Changing the effective date to July 1, 2020, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 11, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 11, S.D. 3, H.D. 2.

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

**SCRep. 1937 Finance on S.B. No. 1792**

The purpose of this bill is to advance the State's commitment to provide quality health care for the people of the Hawaii, by:

- (1) Adopting the original task force recommendation of community-based governance;
- (2) Establishing a Maui Regional Affiliate Corporation Pilot Program (MRACPP) for the Maui region, to be governed by a community-based regional board of directors; and
- (3) Providing the necessary authority for the MRACPP to accomplish the goal of community-based governance.

The Mayor, Council Chair, Councilmember of Maui County, Maui Memorial Medical Center, Kaiser Permanente, Maui Chest Medicine, and many concerned individuals supported this bill. The State Procurement Office did not support this measure. The Chair and a member of the Kauai County Council; Mayor of Hawaii County; Hawaii Health Systems Corporation (HHSC); Board of Directors of HHSC and affiliated hospitals, including Hilo Medical Center, Kona Community Hospital, West Kauai Medical Center, Kohala Hospital, Ka'u Hospital, and Leahi Hospital; Ka'u Rural Health Community Association, Inc.; several board members of the Mahelona Medical Center Charitable Foundation; Hawaii Government Employees Association; Roselani Place Assisted Living Facility, and numerous concerned individuals opposed this bill. The Department of Accounting and General Services, Office of Information Practices, International Longshore and Warehouse Union Local 142, and National Association of Public Hospitals and Health Systems submitted comments.

Your Committee has amended this bill by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1792, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1792, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1938 Finance on S.B. No. 679**

The purpose of this bill is to ensure the safety of visitors to the State of Hawaii by:

- (1) Requiring the Board of the Hawaii Tourism Authority (HTA) to request that the Governor declare that a tourism emergency exists under certain conditions;
- (2) Requiring HTA to implement emergency measures to respond to a tourism emergency; and
- (3) Establishing the Tourism Emergency Trust Fund.

The Chamber of Commerce supported this bill.

For the purposes of the public hearing, your Committee circulated a proposed draft that deletes the contents of this bill and inserts new provisions that establishes the Office of the Director of Disaster Preparedness and a Disaster Preparedness Commission to develop a disaster preparedness plan for Hawaii that includes:

- (1) The identification of hazards and hazard impact zones;
- (2) Disaster mitigation policies, requirements, and incentives; and
- (3) Best responses.

Island Insurance Company supported this bill as proposed. The Department of Defense, Department of Public Safety, Department of Accounting and General Services, Department of Transportation, Department of Defense, Department of Emergency Management of the City and County of Honolulu, Mayor of the Hawaii County, Kauai Civil Defense Agency, Hawaii Lumber Products Association, and several concerned individuals opposed this measure as proposed. Several concerned individuals submitted comments on the proposed draft.

After careful consideration, your Committee has further amended the proposed draft by:

- (1) Deleting the appropriation to fund the community emergency response team program training and support on the islands of Oahu, Hawaii, and Kauai; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 679, 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. 679, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Ward.

**SCRep. 1939 Finance on S.B. No. 1718**

The purpose of this bill is to support the development of renewable and efficient energy systems in the state by authorizing the issuance of special purpose revenue bonds to assist BlueEarth Maui Biofuels, LLC, with the construction of a biodiesel refinery on Maui for the purpose of producing fuel for electrical generation.

BlueEarth Biofuels, LLC, Maui Chamber of Commerce, ILWU Local 142, Plumbers and Fitters Union Local 675, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Hawaii Farm Bureau Federation supported the intent of this measure. The Hawaii Audubon Society, Maui Tomorrow Foundation, Inc., Lahui O Ka Aina, Ke Ola Aina, Windward Ahupuaa Alliance, Sawit Watch, Pacific Biodiesel, Inc., and a large number of concerned individuals opposed this bill. The Department of Budget and Finance, Sierra Club-Hawaii Chapter-Maui Group, Life of the Land, and a concerned individual provided comments.

Concerns were raised regarding the negative impact on the environment of using palm oil for energy. Your Committee notes that it has been assured by BlueEarth Biodiesel, LLC, that palm oil will not be used in its production of biodiesel.

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

- (1) Limiting the authorization to issue special purpose revenue bonds to assist BlueEarth Maui Biodiesel, LLC, only, and not:
  - (A) A partnership in which BlueEarth Maui Biodiesel, LLC, is a general partner; nor
  - (B) A newly formed LLC in which BlueEarth Maui Biodiesel, LLC, is a managing member or the successor in interest or assignee of BlueEarth Maui Biodiesel, LLC;
- (2) Changing the amount of special purpose revenue bonds authorized from \$59,000,000 to an unspecified sum;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1718, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1718, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1940 Finance on S.B. No. 1060**

The purpose of this bill is to assist injured workers and enhance the workers' compensation law by, among other things:

- (9) Providing an alternative dispute resolution process for workers' compensation claims;
- (10) Establishing optional, evidence-based treatment guidelines for medical providers treating injured workers;
- (11) Requiring essential medical services to be continued for an injured employee during a dispute between the employee and the employer or the employer's insurer regarding treatment, until the Director of Labor (Director) issues a decision on whether medical treatment should be continued;
- (12) Allowing an employer or employer's insurer to recover medical costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer for medical treatment the Director determines should have been discontinued;
- (13) Allowing injured employees to be referred for vocational rehabilitation services where the employee has achieved maximum medical improvement and the employer has made no offer of suitable work;
- (14) Allowing employers to request the Director to issue a credit for the amount of temporary total disability benefits that the Director determines should have been discontinued;
- (15) Establishing requirements and standards for physicians selected by mutual agreement between the claimant and the employer to perform independent medical examinations; and
- (16) Requiring employers' insurers to provide annual reports regarding the costs of their policies to the Director and the Insurance Commissioner.

The Hawaii Teamsters and Allied Workers Local 996 and Hawaii State Teachers Association testified in support of this bill. The Department of Labor and Industrial Relations supported the intent of this bill. The Department of Human Resources Development, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, Hawaii Medical Association, Hawaii Insurers Council, ILWU Local 142, UNITE HERE! Local 5, Hawaii Automobile Dealers' Association, Castle and Cooke Homes Hawaii, The Honolulu Advertiser, Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Light Company, Limited, Nordic Construction, Ltd., Wilcox Chiropractic, Bickford Chiropractic, Hidano Construction, Inc., Society for Human Resource Management – Hawaii Chapter, Kailua Chamber of Commerce, Ocean Network LLC, ProActive Chiropractic LLC, The Limtiaco Company, Grace Pacific Corporation, Building Industry Association of Hawaii, Aloha Airlines, American Insurance Association, and numerous concerned individuals testified in opposition to this bill. The Department of the Attorney General, Hawaii Dredging Construction Company, Kauai Chamber of Commerce, Hawaii Independent Insurance Agents Association, National Federation of Independent Businesses in Hawaii, Hawaii State AFL-CIO, Hawaii Government Employees Association, Filipino Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Hawaii Island Chamber of Commerce, Hawaii Chapter—American Physical Therapy Association, Hawaii State Chiropractic Association, Hawaii Bankers Association, Hawaiian Housewares, Ltd., HSI Electric, Inc., The Chamber of Commerce of Hawaii, City Mill Company, Ltd., Propulsion Controls Engineering, Pacific Transfer LLC, Cardinal Mailing Services, Ltd., Maui Chamber of Commerce, and several concerned individuals submitted comments.

Your Committee has amended his 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 S.B. No. 1060, 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. 1060, S.D. 1, H.D. 2.

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

**SCRep. 1941 Consumer Protection & Commerce on S.B. No. 1004**

The purpose of this bill is to increase access to mental health care by establishing requirements under which qualified, licensed psychologists practicing at federally qualified health centers may prescribe certain types of psychotropic medication under the general supervision of a medical doctor.

The Disability and Communication Access Board, Mental Health America of Hawaii, Hawaii Primary Care Association, Hawaii Medical Service Association, Kokua Kalih Valley, Molokai Community Health Center, Community Clinic of Maui, Hamakua Health Center, Hoola Lahui Hawaii, American Psychological Association, and numerous concerned individuals testified in support of this bill. The Board of Medical Examiners, Hawaii Psychiatric Medical Association, Hawaii Medical Association, Hawaii Disability Rights Center, National Alliance on Mental Illness – Oahu, Hawaii Society of Addiction Medicine, and numerous concerned individuals opposed this measure. The Department of Health, Board of Psychology, and American Psychiatric Nurses Association – Hawaii Chapter submitted comments.

Your Committee has amended this measure by 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. 1004, 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. 1004, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Thielen. (Representatives Evans, Ito, Sonson, Yamane and Marumoto voted no.)

**SCRep. 1942 Public Safety & Military Affairs/Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 210**

The purpose of this resolution is to provide life skills with an emphasis on native Hawaiian cultural traditions for incarcerated persons, and a chance to become acquainted or reacquainted with the rich Hawaiian heritage by requesting that the Department of Public Safety convene a task force to study the feasibility of a reciprocal healing program (Program) for offenders on Kaho'olawe, emphasizing native Hawaiian practices for native Hawaiian offenders.

A concerned individual supported this resolution. The Kaho'olawe Island Reserve Commission submitted comments.

Your Committees have amended this resolution by:

- (1) Changing its title to, "REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO ESTABLISH A TASK FORCE TO STUDY THE FEASIBILITY OF A NATIVE HAWAIIAN HEALING PROGRAM ON THE ISLAND OF KAHO'OLAWE FOR NATIVE HAWAIIANS AND OTHER PERSONS INCARCERATED IN CORRECTIONAL FACILITIES";
- (2) Clarifying that the Program would not include a prison facility on the island of Kaho'olawe;
- (3) Removing references to this Program as being a method for bringing home native Hawaiians who are incarcerated in mainland facilities;
- (4) Calling for the Program to be used as an opportunity for work-release, probation, or parole for native Hawaiians and any other persons incarcerated in correctional facilities;
- (5) Specifying that participants in the Program should have regular or instantaneous review immediately prior to and after participation in the Program such as what is done in Drug or Girls' Court;
- (6) Requesting a report on any financial impacts that may be incurred by the task force; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committees note that concerns were raised that task force members may incur some financial impact in the performance of their duties, such as travel expenses. However, the cooperation and assistance of the departments should minimize these impacts.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 210, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 210, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Luke, Nishimoto, Saiki, Takamine and Thielen.

**SCRep. 1943 Public Safety & Military Affairs/Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 263**

The purpose of this concurrent resolution is to provide life skills with an emphasis on native Hawaiian cultural traditions for incarcerated persons, and a chance to become acquainted or reacquainted with the rich Hawaiian heritage by requesting that the Department of Public Safety convene a task force to study the feasibility of a reciprocal healing program (Program) for offenders on Kaho'olawe, emphasizing native Hawaiian practices for native Hawaiian offenders.

A concerned individual supported this concurrent resolution. The Kaho'olawe Island Reserve Commission submitted comments.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to, "REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO ESTABLISH A TASK FORCE TO STUDY THE FEASIBILITY OF A NATIVE HAWAIIAN HEALING PROGRAM ON THE ISLAND OF KAHO'OLAWE FOR NATIVE HAWAIIANS AND OTHER PERSONS INCARCERATED IN CORRECTIONAL FACILITIES";
- (2) Clarifying that the Program would not include a prison facility on the island of Kaho'olawe;
- (3) Removing references to this Program as being a method for bringing home native Hawaiians who are incarcerated in mainland facilities;
- (4) Calling for the Program to be used as an opportunity for work-release, probation, or parole for native Hawaiians and any other persons incarcerated in correctional facilities;
- (5) Specifying that participants in the Program should have regular or instantaneous review immediately prior to and after participation in the Program such as what is done in Drug or Girls' Court;
- (6) Requesting a report on any financial impacts that may be incurred by the task force; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.



Your Committees note that concerns were raised that task force members may incur some financial impact in the performance of their duties, such as travel expenses. However, the cooperation and assistance of the departments should minimize these impacts.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 263, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 263, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Luke, Nishimoto, Saiki, Takamine and Thielen.

**SCRep. 1944 Transportation on H.R. No. 127**

The purpose of this resolution is to promote child safety by urging the United States Congress to pass, and the President of the United States to sign, the Cameron Gulbransen Kids and Car Safety Act.

Your Committee finds that each year a large number of children are injured or killed in non-traffic related automobile accidents. Passage of the Cameron Gulbransen Kids and Car Safety Act will go a long way to begin reducing the incidence of non-traffic related child injury and death through greater safety standards, education, and awareness.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 127 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey and Meyer.

**SCRep. 1945 Transportation on H.C.R. No. 160**

The purpose of this concurrent resolution is to promote child safety by urging the United States Congress to pass, and the President of the United States to sign, the Cameron Gulbransen Kids and Car Safety Act.

Your Committee finds that each year a large number of children are injured or killed in non-traffic related automobile accidents. Passage of the Cameron Gulbransen Kids and Car Safety Act will go a long way to begin reducing the incidence of non-traffic related child injury and death through greater safety standards, education, and awareness.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 160 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey and Meyer.

**SCRep. 1946 Transportation on H.R. No. 199**

The purpose of this resolution is to help alleviate traffic congestion through alternative means of transportation by requesting the Department of Transportation Services of the City and County of Honolulu and the City and County of Honolulu to:

- (1) Consider planning the construction of bikeways underneath and alongside the route of the fixed guideway transportation system; and
- (2) Consider constructing the bikeways as soon as it is feasible.

Hawaii, especially the island of Oahu, is experiencing increased levels of traffic congestion that is only expected to worsen. Planning and building of bikeways along the route chosen for a mass transit system will offer an additional, alternative, and safe means of transportation to the residents of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 199 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey and Meyer.

**SCRep. 1947 Transportation on H.C.R. No. 249**

The purpose of this concurrent resolution is to help alleviate traffic congestion through alternative means of transportation by requesting the Department of Transportation Services of the City and County of Honolulu and the City and County of Honolulu to:

- (1) Consider planning the construction of bikeways underneath and alongside the route of the fixed guideway transportation system; and
- (2) Consider constructing the bikeways as soon as it is feasible.

Hawaii, especially the island of Oahu, is experiencing increased levels of traffic congestion that is only expected to worsen. Planning and building of bikeways along the route chosen for a mass transit system will offer an additional, alternative, and safe means of transportation to the residents of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 249 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey and Meyer.

**SCRep. 1948 Transportation on H.C.R. No. 163**

The purpose of this concurrent resolution is to mitigate traffic congestion in Kaneohe town by requesting the Department of Transportation (DOT) to study the feasibility of constructing a direct access on-ramp from the Kaneohe-bound lanes of the Likelike Highway onto the windward-bound lanes of the Interstate H-3 Freeway to Kailua in order to facilitate travel.

DOT did not support this measure.

Currently, motorists traveling to the Windward side of Oahu on the Likelike Highway are either routed to Kaneohe or north to Kahekili Highway, but are unable to head towards Kailua without going through Kaneohe town. This causes major traffic congestion throughout Kaneohe town. Your Committee finds that construction of a direct access on-ramp from the Kaneohe-bound lanes of the Likelike Highway onto the windward-bound lanes of the H-3 Freeway to Kailua may alleviate some of this traffic.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey and Meyer.

**SCRep. 1949                    Transportation on H.C.R. No. 28**

The purpose of this concurrent resolution, as received by your Committee, was to address traffic congestion issues by urging the Department of Transportation (DOT) to study innovative technologies and models for public transit services.

However, due to the increasing problem of motorists driving under the influence of an intoxicant (DUII), your Committee instead heard a proposed draft. As proposed, the purpose of this concurrent resolution is to provide an alternative means for combating DUII by requesting DOT to study the feasibility of requiring vehicle ignition interlock devices for convicted DUII offenders.

DOT, Mothers Against Drunk Driving-Hawaii, and the Alliance of Automobile Manufacturers testified in support of the proposed draft.

Hawaii has the second highest percentage of alcohol-related traffic fatalities in the nation in 2005. Sadly, it appears that this statistic is only getting worse despite efforts to curb this type of behavior. While enforcement of existing laws governing DUII has had an impact on alcohol-related traffic fatalities, more needs to be done to bring about substantial improvements.

Your Committee finds that ignition interlock devices, which prohibit a vehicle from being started until the driver of the vehicle passes a breathalyzer test that is connected to the ignition of the vehicle, may be one way to stop alcohol-impaired drivers from getting behind the wheel of their vehicle. Installation of this device on motor vehicles of individuals convicted of DUII would be one step towards stopping the senseless tragedies of alcohol-related traffic fatalities.

Accordingly, your Committee has adopted the language of the proposed H.D.1. The title of this concurrent resolution has been changed to read: "REQUESTING THE DEPARTMENT OF TRANSPORTATION TO STUDY THE FEASIBILITY OF REQUIRING VEHICLE IGNITION INTERLOCK DEVICES FOR CONVICTED DRUNK DRIVING OFFENDERS."

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 28, H.D. 1.

Signed by all members of the Committee except Representatives Luke, McKelvey and Meyer.

**SCRep. 1950                    Higher Education/Education on H.R. No. 250**

The purpose of this resolution is to support and encourage international education to ensure that students and future leaders are prepared to meet the challenges of a global society.

The Department of Business, Economic Development and Tourism, University of Hawaii System, NAFSA Hawaii Pacific District, and many concerned individuals submitted testimony in support of the resolution. The Department of Education supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 250 and recommend its adoption.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takai, Takamine, Ching and Finnegan.

**SCRep. 1951                    Higher Education/Education on H.C.R. No. 315**

The purpose of this concurrent resolution is to support and encourage international education to ensure that students and future leaders are prepared to meet the challenges of a global society.

The Department of Business, Economic Development and Tourism, University of Hawaii System, NAFSA Hawaii Pacific District, and many concerned individuals submitted testimony in support of the concurrent resolution. The Department of Education supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 315 and recommend its adoption.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takai, Takamine, Ching and Finnegan.

**SCRep. 1952                    Higher Education on H.C.R. No. 89**

The purpose of this concurrent resolution is to encourage the University of Hawaii to extend its current land lease with Leahi Hospital to facilitate creation of opportunities and an infrastructure that will enable alternative community-based programs that would:

- (1) Be comprehensive;
- (2) Prevent institutionalization; and
- (3) Contain rising long-term care costs.

Leahi Hospital and Healthcare Association of Hawaii submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takai, Takamine, Ching and Finnegan.

**SCRep. 1953                    Higher Education on H.R. No. 173**

The purpose of this resolution is to request the Spark M. Matsunaga Institute for Peace, located within the Center for Policy Studies at the University of Hawaii at Manoa, to convene a working group to explore the possibility of designating Hawaii as the "Geneva of the Pacific."

The Department of Business, Economic Development, and Tourism and a concerned individual submitted testimony in support of this measure. The American Friends Service Committee supported this resolution and requested an amendment to clarify the historical precedent for Hawaii being a "Geneva of the Pacific".

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 173, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 173, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takai, Takamine, Ching and Finnegan.

**SCRep. 1954 Higher Education on H.C.R. No. 215**

The purpose of this concurrent resolution is to request the Spark M. Matsunaga Institute for Peace, located within the Center for Policy Studies at the University of Hawaii at Manoa, to convene a working group to explore the possibility of designating Hawaii as the "Geneva of the Pacific."

The Department of Business, Economic Development, and Tourism and a concerned individual submitted testimony in support of this measure. The American Friends Service Committee supported this concurrent resolution and requested an amendment to clarify the historical precedent for Hawaii being a "Geneva of the Pacific".

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 215, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 215, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takai, Takamine, Ching and Finnegan.

**SCRep. 1955 Consumer Protection & Commerce on H.C.R. No. 112**

The purpose of this concurrent resolution is to request the Director of Commerce and Consumer Affairs to adopt rules requiring cemetery authorities to distribute summaries of their audited financial statements to their purchasers.

For purposes of the public hearing on this measure, your Committee circulated a proposed H.D. 1 and notified the public that your Committee would be accepting testimony on the proposed H.D. 1 only.

The proposed H.D. 1, entitled "HOUSE CONCURRENT RESOLUTION REQUESTING THE DIVISION OF FINANCIAL INSTITUTIONS OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO REVIEW CHAPTER 449, HAWAII REVISED STATUTES, RELATING TO ESCROW DEPOSITORIES," requests a review of other states' escrow depository regulations to provide a comparative basis for analyzing Hawaii's escrow depository requirements.

The Department of Commerce and Consumer Affairs and Integrity Escrow and Title submitted comments on the proposed H.D. 1.

Your Committee has amended this measure by replacing its entire contents with the proposed H.D. 1. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 112, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 112, H.D. 1.

Signed by all members of the Committee except Representative Thielen.

**SCRep. 1956 Consumer Protection & Commerce/Judiciary on H.R. No. 228**

The purpose of this resolution is to request the Department of Commerce and Consumer Affairs to report on its experience with and to evaluate the current system for condominium dispute resolution. Specifically, this measure:

- (1) Requests the Department of Commerce and Consumer Affairs to report to the Legislature on its direct, first hand experience with the condominium dispute resolution program, and to provide a review and evaluation of the efficacy of that program;
- (2) Additionally requests the Department of Commerce and Consumer Affairs to consider other possible methods of dispute resolution that may result in expeditious and equitable dispute resolutions without exposing the parties to any dispute to excessive and unreasonable legal and other fees and costs; and
- (3) Further requests the Department of Commerce and Consumer Affairs to report its findings and recommendations, along with any proposed legislation, to the Legislature not later than twenty days prior to the convening of the Regular Session of 2008.

The Department of Commerce and Consumer Affairs testified in opposition of this measure.

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 concur with the intent and purpose of H.R. No. 228 and recommend its adoption.

Signed by all members of the Committee except Representatives Caldwell, Luke, Morita and Yamashita.

**SCRep. 1957 Consumer Protection & Commerce/Judiciary on H.C.R. No. 287**

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs to report on its experience with and to evaluate the current system for condominium dispute resolution. Specifically, this measure:

- (1) Requests the Department of Commerce and Consumer Affairs to report to the Legislature on its direct, first hand experience with the condominium dispute resolution program, and to provide a review and evaluation of the efficacy of that program;
- (2) Additionally requests the Department of Commerce and Consumer Affairs to consider other possible methods of dispute resolution that may result in expeditious and equitable dispute resolutions without exposing the parties to any dispute to excessive and unreasonable legal and other fees and costs; and
- (3) Further requests the Department of Commerce and Consumer Affairs to report its findings and recommendations, along with any proposed legislation, to the Legislature not later than twenty days prior to the convening of the Regular Session of 2008.

The Department of Commerce and Consumer Affairs testified in opposition of this measure.

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 concur with the intent and purpose of H.C.R. No. 287 and recommend its adoption.

Signed by all members of the Committee except Representatives Caldwell, Luke, Morita and Yamashita.

**SCRep. 1958 Tourism & Culture on H.R. No. 118**

The purpose of this resolution is to improve visitor safety by requesting the Hawaii Tourism Authority (HTA) to coordinate development and distribution of information on recreation safety and crime prevention to visitors.

HTA supported the intent of this measure.

Your Committee finds that safety and security is one of the nine strategic initiatives identified in the Hawaii Tourism Strategic Plan. HTA has been involved in various measures over the past few years to support visitor safety and security, including funding for the Visitor Assistance Program and development of the "travelsmarthawaii" web site. In addition, HTA has selected a contractor to develop a safety and security plan and is also working with other organizations to develop water safety materials.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 118 and recommends its adoption.

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

**SCRep. 1959            Tourism & Culture on H.R. No. 195**

The purpose of this resolution is to formally recognize the contributions of Confucius to the culture of our state and to communities and nations around the world by designating September 28 as Confucius Day in Hawaii.

The University of Hawaii, East-West Center, Chinese Language Teachers Association, and several concerned individuals supported 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 concurs with the intent and purpose of H.R. No. 195 and recommends its adoption.

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

**SCRep. 1960            Tourism & Culture on H.C.R. No. 244**

The purpose of this concurrent resolution is to formally recognize the contributions of Confucius to the culture of our state and to communities and nations around the world by designating September 28 as Confucius Day in Hawaii.

The University of Hawaii, East-West Center, Chinese Language Teachers Association, and several concerned individuals supported 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 concurs with the intent and purpose of H.C.R. No. 244 and recommends its adoption.

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

**SCRep. 1961            Tourism & Culture on H.R. No. 262**

The purpose of this resolution is to promote Hawaii's unique cultural heritage by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to increase its marketing efforts in the niche market of heritage tourism.

Daughters of Hawaii supported this measure. DBEDT supported the intent of this measure. The Hawaii Tourism Authority (HTA) submitted comments.

Your Committee notes that HTA annually supports over 130 projects through its Festivals and Events and Product Enrichment Programs. Many of these projects focus on cultural and heritage tourism, and provide visitors with activities that promote Hawaii's unique culture. Your Committee finds that HTA and DBEDT should continue to work together to maintain and expand these types of programs for the benefit of our visitor industry and for our state as a whole.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 262 and recommends its adoption.

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

**SCRep. 1962            Tourism & Culture on H.C.R. No. 325**

The purpose of this concurrent resolution is to promote Hawaii's unique cultural heritage by requesting the Department of Business, Economic Development, and Tourism (DBEDT) to increase its marketing efforts in the niche market of heritage tourism.

Daughters of Hawaii supported this measure. DBEDT supported the intent of this measure. The Hawaii Tourism Authority (HTA) submitted comments.

Your Committee notes that HTA annually supports over 130 projects through its Festivals and Events and Product Enrichment Programs. Many of these projects focus on cultural and heritage tourism, and provide visitors with activities that promote Hawaii's unique culture. Your Committee finds that HTA and DBEDT should continue to work together to maintain and expand these types of programs for the benefit of our visitor industry and for our state as a whole.

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. 325 and recommends its adoption.

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

**SCRep. 1963            Tourism & Culture on H.R. No. 229**

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Tourism Authority (HTA), and the Hawaii Visitors and Convention Bureau (HVCB) to conduct activities to increase the number of visitors from Taiwan.

Two concerned individuals supported this resolution. HTA submitted comments.

Your Committee finds that HTA has already undertaken efforts in Taiwan to promote Hawaii as a visitor destination. For example, HTA has contracted with Hawaii Tourism Taiwan to conduct marketing activities, including sales calls, monthly newsletters and press releases, travel trade seminars, travel agent and media tours, and participation in trade shows including the Taipei International Trade Fair. Your Committee recognizes, however, that there exist certain obstacles that hinder visitor growth from Taiwan, including limited airseat capacity, as well as Taiwan's current exclusion from the federal visa waiver program.

Furthermore, your Committee notes that testimony submitted during the public hearing indicated that HVCB is no longer responsible for marketing to Taiwan.

Accordingly, your Committee has amended this measure by:

- (1) Deleting references to HVCB;
- (2) Changing its title to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM AND THE HAWAII TOURISM AUTHORITY TO CONDUCT ACTIVITIES TO INCREASE THE NUMBER OF VISITORS FROM TAIWAN"; and

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

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 229, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 229, H.D. 2.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 1964 Tourism & Culture on H.C.R. No. 288**

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Tourism Authority (HTA), and the Hawaii Visitors and Convention Bureau (HVCB) to conduct activities to increase the number of visitors from Taiwan.

Two concerned individuals supported this concurrent resolution. HTA submitted comments.

Your Committee finds that HTA has already undertaken efforts in Taiwan to promote Hawaii as a visitor destination. For example, HTA has contracted with Hawaii Tourism Taiwan to conduct marketing activities, including sales calls, monthly newsletters and press releases, travel trade seminars, travel agent and media tours, and participation in trade shows including the Taipei International Trade Fair. Your Committee recognizes, however, that there exist certain obstacles that hinder visitor growth from Taiwan, including limited airseat capacity, as well as Taiwan's current exclusion from the federal visa waiver program.

Furthermore, your Committee notes that testimony submitted during the public hearing indicated that HVCB is no longer responsible for marketing to Taiwan.

Accordingly, your Committee has amended this measure by:

- (1) Deleting references to HVCB;
- (2) Changing its title to read: "REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM AND THE HAWAII TOURISM AUTHORITY TO CONDUCT ACTIVITIES TO INCREASE THE NUMBER OF VISITORS FROM TAIWAN"; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 288, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 288, H.D. 2.

Signed by all members of the Committee except Representative Wakai.

**SCRep. 1965 Legislative Management on H.C.R. No. 46**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review on the registration of providers of debt-management services as contemplated under H.B. No. 184, introduced during the Regular Session of 2007. If the Auditor determines that registration is appropriate, this measure further requests the Auditor to recommend whether for-profit entities should be prohibited from providing debt-settlement services, or credit-counseling services, or both.

Section 26H-6, Hawaii Revised Statutes, requires the Auditor to conduct sunrise reviews of new regulatory measures that, if enacted, would subject unregulated professions and vocations to licensing or other regulatory controls.

The State Commission to Promote Uniform Legislation testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46 and recommends its adoption.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1966 Legislative Management on H.C.R. No. 51**

The purpose of this concurrent resolution is to ensure the proper use and management of various public-housing and housing-related funds by requesting the Auditor to conduct a financial audit of the Hawaii Public Housing Authority and its tenants' associations.

Numerous concerned individuals testified in support of this concurrent resolution. 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1967 Legislative Management on H.C.R. No. 107**

The purpose of this concurrent resolution is to request the Auditor to conduct a financial, program, and management audit of the Department of Education's (DOE) Hawaiian studies programs. The financial audit is intended to clarify inconsistencies in budgeting and spending, and the program and management audit would identify areas of concern regarding program delivery or implementation.

DOE, the Office of Hawaiian Affairs, Ka Lei Papahi o Kakuhihewa, and numerous concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 107, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1968 Legislative Management on H.C.R. No. 108**

The purpose of this concurrent resolution is to request the Auditor to conduct a sunrise review to determine whether home inspectors should be licensed by a home inspector licensing board as contemplated under H.B. No. 182, introduced during the Regular Session of 2007.

Section 26H-6, Hawaii Revised Statutes, requires the Auditor to conduct sunrise reviews of new regulatory measures that, if enacted, would subject unregulated professions and vocations to licensing or other regulatory controls.

The Department of Commerce and Consumer Affairs and Hawaii Association of Realtors testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 108 and recommends its adoption.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 1969 Legislative Management on H.C.R. No. 222**

The purpose of this concurrent resolution is to assess the effectiveness of the State's workforce development programs and recommend the optimal realignment of workforce administration to address Hawaii's labor and skill shortages.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 222 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1970 Health on H.R. No. 105**

The purpose of this resolution is to request that the Administration adopt guidelines on the ethical recruitment of nurses to implement the agreement between the State and provinces of the Philippines relating to the recruitment and relocation to the state of nurses from the Philippines and future agreements with any sovereign nation relating to the recruitment and relocation to the state of nurses from that sovereign nation.

The Representative from the 38<sup>th</sup> District supported this resolution.

Your Committee has amended this resolution by:

- (1) Requesting that the Governor continue to support the ethical recruitment of nurses. As such, the title of this measure has been changed to, "REQUESTING THE GOVERNOR'S CONTINUED SUPPORT FOR THE ETHICAL RECRUITMENT OF NURSES"; 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 concurs with the intent and purpose of H.R. No. 105, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 105, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 1971 Health on H.C.R. No. 131**

The purpose of this concurrent resolution is to request that the Administration adopt guidelines on the ethical recruitment of nurses to implement the agreement between the State and provinces of the Philippines relating to the recruitment and relocation to the state of nurses from the Philippines and future agreements with any sovereign nation relating to the recruitment and relocation to the state of nurses from that sovereign nation.

The Representative from the 38<sup>th</sup> District supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that the Governor continue to support the ethical recruitment of nurses. As such, the title of this measure has been changed to, "REQUESTING THE GOVERNOR'S CONTINUED SUPPORT FOR THE ETHICAL RECRUITMENT OF NURSES"; 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 concurs with the intent and purpose of H.C.R. No. 131, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 131, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 1972 Judiciary on H.R. No. 138**

The purpose of this resolution is to urge Hawaii's law enforcement agencies to use the "A Child is Missing" Alert Program in locating missing persons.

A concerned individual testified in support of this resolution. The Department of the Prosecuting Attorney of the City and County of Honolulu 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 concurs with the intent and purpose of H.R. No. 138 and recommends its adoption.

Signed by all members of the Committee except Representatives Caldwell, Ito, Sonson, Souki, Yamane, Marumoto, Pine and Thielen.

**SCRep. 1973 Judiciary on H.C.R. No. 176**

The purpose of this concurrent resolution is to urge Hawaii's law enforcement agencies to use the "A Child is Missing" Alert Program in locating missing persons.

A concerned individual testified in support of this concurrent resolution. The Department of the Prosecuting Attorney of the City and County of Honolulu 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 concurs with the intent and purpose of H.C.R. No. 176 and recommends its adoption.

Signed by all members of the Committee except Representatives Caldwell, Ito, Sonson, Souki, Yamane, Marumoto, Pine and Thielen.

**SCRep. 1974 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 154**

The purpose of this resolution is to request that the Office of Hawaiian Affairs report to the Legislature the status of the future operation and maintenance of Waimea Valley.

The Office of Hawaiian Affairs testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 154 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Saiki and Thielen.

**SCRep. 1975 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 196**

The purpose of this concurrent resolution is to request that the Office of Hawaiian Affairs report to the Legislature the status of the future operation and maintenance of Waimea Valley.

The Office of Hawaiian Affairs testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 196 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Saiki and Thielen.

**SCRep. 1976 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 174**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to report to the Legislature certain aquatic surf resources in the state including the cost of funding a study in the feasibility of constructing artificial reefs.

The Department of Land and Natural Resources supports the intent of the resolution. A few concerned individuals testified in support of the resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174 and recommends its adoption.

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

**SCRep. 1977 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 279**

The purpose of this concurrent resolution is to urge the federal government to immediately remove the sailboat "Dolphin" from the reef in the National Marine Sanctuary area facing Front Street on Lahaina, Maui.

The Department of Land and Natural Resources testified in support of the intent of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 279 and recommends its adoption.

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

**SCRep. 1978 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 63**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to determine and identify the persons or entities that own any property interest in the rights-of-way in certain lanes in urban Oahu.

The Department of Land and Natural Resources testified in opposition to this resolution. A few concerned individuals testified in strong support.

Your Committee has amended this measure by:

- (1) Changing the title of this concurrent resolution to "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE DEPARTMENT OF THE ATTORNEY GENERAL TO DETERMINE OWNERSHIP OF THE RIGHTS-OF-WAY IN CERTAIN LANES IN URBAN OAHU";
- (2) Adding language for the Department of the Attorney General assist in determining ownership of certain lanes in urban Oahu; and
- (3) Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 63, H.D. 1.

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

**SCRep. 1979 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 233**

The purpose of this concurrent resolution is requesting the Department of Land and Natural Resources to review the effectiveness of the department's boating speed limit guideline in designated humpback whale areas.

The Department of Land and Natural Resources submitted testimony supporting the intent of this concurrent resolution. Several individuals submitted testimony in support.

Your Committee finds that the Department of Land and Natural Resources is currently in the process of reviewing its Sanctuary management plans as required by Federal law under the National Marine Sanctuary Program. However, this process is expected to take at least two years to complete.

Your committee has amended this measure by

- (1) Adding language requesting the Department of Land and Natural Resources to update the Legislature of its progress of the review; and
- (2) Requiring the Department of Land and Natural Resources to report back to the Legislature in 2009 their findings prior to the convening of the Regular Session of 2009; and
- (3) Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 233, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 233, H.D. 1.

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

**SCRep. 1980 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 278**

The purpose of this concurrent resolution is to promote safe transportation in the County of Maui by requesting the County of Maui to:

- (1) Provide for the immediate repair of Hui F Road; and
- (2) Inventory, in conjunction with the Maui community, Maui's "roads in limbo" to properly establish jurisdiction of all roads in the County of Maui.

County Council of Maui provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing the title of this concurrent resolution to "REQUESTING THE COUNTY OF MAUI TO INVENTORY ITS ROADS IN LIMBO";
- (2) Removing language requesting the County of Maui to provide for the immediate repair of Hui F Road; and
- (3) Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 278, H.D. 1.

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

**SCRep. 1981 Finance on H.C.R. No. 48**

The purpose of this concurrent resolution is to request that a study be conducted to assess the necessity and feasibility of providing child care services for children of state employees.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 48, H.D. 1, and recommends its adoption.

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

**SCRep. 1982 Finance on H.C.R. No. 53**

The purpose of this concurrent resolution is to encourage the counties to provide a higher degree of health care services for the medically underserved in rural areas of the State through the formation of public-private partnerships to cover certain costs for primary care and specialty physicians.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 53 and recommends its adoption.

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

**SCRep. 1983 Finance on H.C.R. No. 77**

The purpose of this concurrent resolution is to request the Office of the Auditor to conduct a study on predatory mortgage lending in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77, H.D. 1, and recommends its adoption.

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

**SCRep. 1984 Finance on H.C.R. No. 252**

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to study and evaluate alternatives in upgrading the State's payroll and personnel systems.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 252 and recommends its adoption.

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

**SCRep. 1985 Finance on H.C.R. No. 281**

The purpose of this concurrent resolution is to request the Department of Health and Department of Taxation to submit proposed legislation to assist the development and testing of a rapid electrochemical detection product with tax incentives to private companies for related work.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 281 and recommends its adoption.

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

**SCRep. 1986 Finance on H.C.R. No. 317**

The purpose of this concurrent resolution is to request the Department of Transportation to implement a transportation performance program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 317 and recommends its adoption.

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

**SCRep. 1987 Finance on H.R. No. 34**

The purpose of this resolution is to request the Department of Human Services to establish an interim task force which shall review the State's maximum allowable cost program's reimbursement policy and the impact that it has on small, independent community pharmacies.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 34 and recommends its adoption.

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

**SCRep. 1988 Finance on H.C.R. No. 54**

The purpose of this concurrent resolution is to request the Department of Human Services to establish an interim task force which shall review the State's maximum allowable cost program's reimbursement policy and the impact that it has on small, independent community pharmacies.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54 and recommends its adoption.

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

**SCRep. 1989 Finance on H.R. No. 94**

The purpose of this resolution is to request the Department of Health to convene a task force to investigate and coordinate any efforts to provide medical and social services to migrants from the Freely Associated States of Micronesia, the Marshall Islands, and the Republic of Palau.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 94, H.D. 1, and recommends its adoption.

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

**SCRep. 1990 Finance on H.C.R. No. 119**

The purpose of this concurrent resolution is to request the Department of Health to convene a task force to investigate and coordinate any efforts to provide medical and social services to migrants from the Freely Associated States of Micronesia, the Marshall Islands, and the Republic of Palau.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119, H.D. 1, and recommends its adoption.

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

**SCRep. 1991 Finance on H.R. No. 104**

The purpose of this resolution is to convene an international network addressing domestic violence and sex assault coordinated by the Hawaii State Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 104, H.D. 1, and recommends its adoption.

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

**SCRep. 1992 Finance on H.C.R. No. 130**

The purpose of this concurrent resolution is to convene an international network addressing domestic violence and sex assault coordinated by the Hawaii State Commission on the Status of Women.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130, H.D. 1, and recommends its adoption.

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

**SCRep. 1993 Finance on H.R. No. 108**

The purpose of this resolution is to encourage the Employees' Retirement System to invest in venture capital opportunities in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 108, H.D. 1, and recommends its adoption.

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

**SCRep. 1994 Finance on H.C.R. No. 134**

The purpose of this concurrent resolution is to encourage the Employees' Retirement System to invest in venture capital opportunities in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 134, H.D. 1, and recommends its adoption.

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

**SCRep. 1995 Finance on H.R. No. 125**

The purpose of this resolution is to express the sense of the Legislature that the State should immediately commence eminent domain proceedings for Kukui Gardens.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 125 and recommends its adoption.

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

**SCRep. 1996 Finance on H.C.R. No. 158**

The purpose of this concurrent resolution is to express the sense of the Legislature that the State should immediately commence eminent domain proceedings for Kukui Gardens.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158 and recommends its adoption.

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

**SCRep. 1997 Finance on H.R. No. 131**

The purpose of this resolution is to request the University of Hawaii to design a long-term comprehensive financial plan and conduct a policy review to ensure greater fiscal responsibility and accountability.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 131 and recommends its adoption.

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

**SCRep. 1998 Finance on H.C.R. No. 166**

The purpose of this concurrent resolution is to request the University of Hawaii to design a long-term comprehensive financial plan and conduct a policy review to ensure greater fiscal responsibility and accountability.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166 and recommends its adoption.

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

**SCRep. 1999 Finance on H.R. No. 134**

The purpose of this resolution is to request the Department of Education to conduct a feasibility study to develop and implement a one-to-one computer access program within the State public school system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 134 and recommends its adoption.

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

**SCRep. 2000 Finance on H.C.R. No. 171**

The purpose of this concurrent resolution is to request the Department of Education to conduct a feasibility study to develop and implement a one-to-one computer access program within the State public school system.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 171 and recommends its adoption.

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

**SCRep. 2001 Finance on H.R. No. 136**

The purpose of this resolution is to urge Congress to enact the United States National Health Insurance Act thereby increasing access to and improving health care in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 136 and recommends its adoption.

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

**SCRep. 2002 Finance on H.C.R. No. 173**

The purpose of this concurrent resolution is to urge Congress to enact the United States National Health Insurance Act thereby increasing access to and improving health care in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173 and recommends its adoption.

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

**SCRep. 2003 Finance on H.R. No. 147**

The purpose of this resolution is to request the Department of Human Services and the Department of Education to provide additional outreach services to homeless infants, children, and youth in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 147, H.D. 1, and recommends its adoption.

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

**SCRep. 2004 Finance on H.C.R. No. 189**

The purpose of this concurrent resolution is to request the Department of Human Services and the Department of Education to provide additional outreach services to homeless infants, children, and youth in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 189, H.D. 1, and recommends its adoption.

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

**SCRep. 2005 Finance on H.R. No. 151**

The purpose of this resolution is to request the Governor to establish the Office of Language Access that was created and funded by the Legislature in Act 290 during the Regular Session of 2006.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 151 and recommends its adoption.

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

**SCRep. 2006 Finance on H.C.R. No. 193**

The purpose of this concurrent resolution is to request the Governor to establish the Office of Language Access that was created and funded by the Legislature in Act 290 during the Regular Session of 2006.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 193 and recommends its adoption.

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

**SCRep. 2007 Finance on H.R. No. 160**

The purpose of this resolution is to request the Governor to fund breast cancer and cervical cancer screening for low-income women in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 160 and recommends its adoption.

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

**SCRep. 2008 Finance on H.C.R. No. 202**

The purpose of this concurrent resolution is to request the Governor to fund breast cancer and cervical cancer screening for low-income women in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 202 and recommends its adoption.

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

**SCRep. 2009 Finance on H.R. No. 162**

The purpose of this resolution is to request the Department of Human Services to facilitate provision of social services to non-citizen victims of human trafficking.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 162 and recommends its adoption.

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

**SCRep. 2010 Finance on H.C.R. No. 204**

The purpose of this concurrent resolution is to request the Department of Human Services to facilitate provision of social services to non-citizen victims of human trafficking.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 204 and recommends its adoption.

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

**SCRep. 2011 Finance on H.R. No. 177**

The purpose of this resolution is to urge the United States Department of Housing and Urban Development to remove designated units at Kalihi Valley Homes from the list of structures scheduled for demolition and to work with the Hawaii Public Housing Authority to renovate the buildings instead.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 177 and recommends its adoption.

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

**SCRep. 2012 Finance on H.C.R. No. 219**

The purpose of this concurrent resolution is to urge the United States Department of Housing and Urban Development to remove designated units at Kalihi Valley Homes from the list of structures scheduled for demolition and to work with the Hawaii Public Housing Authority to renovate the buildings instead.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 219 and recommends its adoption.

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

**SCRep. 2013 Finance on H.R. No. 194**

The purpose of this resolution is to request the Department of Education, in consultation with the Board of Education and the University of Hawaii at Manoa College of Education, to conduct a study to determine the feasibility of implementing a multimedia accelerated learning technology pilot program in public schools.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 194 and recommends its adoption.

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

**SCRep. 2014 Finance on H.C.R. No. 243**

The purpose of this concurrent resolution is to request the Department of Education, in consultation with the Board of Education and the University of Hawaii at Manoa College of Education, to conduct a study to determine the feasibility of implementing a multimedia accelerated learning technology pilot program in public schools.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 243 and recommends its adoption.

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

**SCRep. 2015 Finance on H.R. No. 222**

The purpose of this resolution is to urge the Hawaii Congressional delegation to seek amendments to the Medicare payment system to increase reimbursement to Hawaii's hospitals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 222 and recommends its adoption.

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

**SCRep. 2016 Finance on H.C.R. No. 282**

The purpose of this concurrent resolution is to urge the Hawaii Congressional delegation to seek amendments to the Medicare payment system to increase reimbursement to Hawaii's hospitals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282 and recommends its adoption.

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

**SCRep. 2017 Finance on H.R. No. 266**

The purpose of this resolution is to request the Department of Transportation to open and reconfigure the eastbound shoulder lanes from Makakilo Drive to the Waipahu off-ramp on the H-1 freeway during the morning rush hours to help alleviate traffic congestion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 266, H.D. 1, and recommends its adoption.

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

**SCRep. 2018 Finance on H.C.R. No. 329**

The purpose of this concurrent resolution is to request the Department of Transportation to open and reconfigure the eastbound shoulder lanes from Makakilo Drive to the Waipahu off-ramp on the H-1 freeway during the morning rush hours to help alleviate traffic congestion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 329, H.D. 1, and recommends its adoption.

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

**SCRep. 2019 Public Safety & Military Affairs on H.R. No. 91**

The purpose of this resolution is to make the National Guard a stronger defense agency that will improve the nation's defense and the military's ability to support civilian authorities during domestic emergencies by requesting that the United States Congress support passage of the National Guard Empowerment Act of 2007.

The Department of Defense supported this resolution.

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. 91 and recommends its adoption.

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

**SCRep. 2020 Public Safety & Military Affairs on H.C.R. No. 115**

The purpose of this concurrent resolution is to make the National Guard a stronger defense agency that will improve the nation's defense and the military's ability to support civilian authorities during domestic emergencies by requesting that the United States Congress support passage of the National Guard Empowerment Act of 2007.

The Department of Defense supported this concurrent resolution.

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. 115 and recommends its adoption.

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

**SCRep. 2021 Public Safety & Military Affairs on H.C.R. No. 180**

The purpose of this concurrent resolution is to request that the United States Postal Service commemorate the honorable service of the F-14 Tomcat in defending freedom.

The F-14 Tomcat Association and an concerned individual supported this concurrent resolution.

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. 180 and recommends its adoption.

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

**SCRep. 2022 Transportation on H.R. No. 110**

The purpose of this resolution is to protect the safety of pedestrians by requesting the Department of Transportation (DOT), in conjunction with each county, to conduct a study of state and county intersections to determine whether traffic signals at those locations provide sufficient time for pedestrians, especially elderly and disabled pedestrians, to cross the street.

The Downtown Neighborhood Board No. 13 testified in support of this measure. DOT supported the intent of this measure.

Pedestrian safety has become a major concern in Hawaii in recent months. This is especially true on Oahu where, in the first few months of 2007, ten pedestrian fatalities have already occurred. Many of these fatalities have involved elderly pedestrians.

In a recent survey conducted by the AARP, many intersections were identified to have inadequate crossing times for elderly pedestrians. Allowing elderly pedestrians more time to cross the street will not only increase traffic safety for the elderly but for pedestrians in general.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 110 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey, Takumi, Meyer and Pine.

**SCRep. 2023                    Transportation on H.C.R. No. 137**

The purpose of this concurrent resolution is to protect the safety of pedestrians by requesting the Department of Transportation (DOT), in conjunction with each county, to conduct a study of state and county intersections to determine whether traffic signals at those locations provide sufficient time for pedestrians, especially elderly and disabled pedestrians, to cross the street.

The Downtown Neighborhood Board No. 13 testified in support of this measure. DOT supported the intent of this measure.

Pedestrian safety has become a major concern in Hawaii in recent months. This is especially true on Oahu where, in the first few months of 2007, ten pedestrian fatalities have already occurred. Many of these fatalities have involved elderly pedestrians.

In a recent survey conducted by the AARP, many intersections were identified to have inadequate crossing times for elderly pedestrians. Allowing elderly pedestrians more time to cross the street will not only increase traffic safety for the elderly but for pedestrians in general.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 137 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey, Takumi, Meyer and Pine.

**SCRep. 2024                    Human Services & Housing on H.R. No. 247**

The purpose of this resolution is to request that the issuance of visas for family reunification of immigrant relatives be expedited.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 247 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Ward.

**SCRep. 2025                    Human Services & Housing on H.C.R. No. 308**

The purpose of this resolution is to request that the issuance of visas for family reunification of immigrant relatives be expedited.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 308 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2026                    Consumer Protection & Commerce/Judiciary on H.C.R. No. 109**

The purpose of this concurrent resolution is to promote and protect Kona coffee by:

- (1) Requesting the Department of Business, Economic Development, and Tourism (DBEDT) to report to the Legislature on Hawaii's coffee industry, including a thorough economic analysis of the probable impact on each segment of the coffee industry in the state of increasing the minimum Kona coffee content requirement to fifty per cent; and
- (2) Requesting the Department of the Attorney General (AG) to review existing laws and programs related to the enforcement of Kona coffee minimum content requirements and submit a report to the Legislature that includes ways to improve enforcement of Kona coffee laws.

DBEDT offered various comments on the measure. DBEDT suggested that the study would have to include the following: (1) impact of Kona coffee price change, due to the minimum content law, on the quantities demanded for Kona coffee, which is called the price elasticity of demand; (2) impact of Kona coffee price change on the demand of non-Kona coffee in the state, which is called cross elasticity of demand; (3) impact of Kona coffee price change on other crops on the Big Island; and (4) the impact by segment within the coffee industry.

DBEDT also commented that study would have to be obtained through surveys of all types of purchasers of Kona coffee, including businesses, residents, visitors, and internet shoppers on hypothetical basis. DBEDT went on to say that they do not have the expertise nor the resources to conduct this study.

The Department of the Attorney General supports the intent of this concurrent resolution, with some changes. The Department believes a more comprehensive study is needed to determine what per cent content of locally produced coffee should be used in a coffee blend, so as to not cause a negative economic impact on the coffee industry. The Department believes this would be impossible to complete without financial or personnel resources within the limited allotted time indicated in the resolution. The department would recommend that this part of the resolution be amended to include significant monetary resources and an extended completion date so that a thorough and comprehensive economic analysis could be completed.

Greenwell Farms, Hawaii Teamsters Local 996, Kona Coffee Council, Kona Mountain Coffee Company, and several concerned individuals supported this measure. Honolulu Brewing Company LLC, DFS Group, Ltd., Royale Island Coffee Hawaii, Tropical Taste Distribution, Hawaii Coffee Company, Inc., Hawaii Coffee Association, and a concerned individual supported this measure with amendments.

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 concur with the intent and purpose of H.C.R. No. 109 and recommend its adoption.

Signed by all members of the Committee except Representatives Caldwell, Luke, Sonson, Souki and Pine.

**SCRep. 2027                    Consumer Protection & Commerce on H.C.R. No. 110**

The purpose of this concurrent resolution is to request that the Department of Agriculture adopt uniform administrative rules relating to all coffee beans grown in Hawaii, whether green or roasted beans, in order to establish uniform inspection and certification requirements to ensure better and higher quality and assurance for all Hawaii-grown coffee.

Also, that the Department of Agriculture adopt administrative rules to establish audit requirements for all coffee mills and roasters in Hawaii so that a uniform level of quality and assurance can be maintained and monitored.

Further, that the Department of Agriculture cooperate and coordinate with the Kona Coffee Council and form a special committee to establish a suitable certification and audit plan to appropriately meet the needs of small coffee farmers.

The Department of Agriculture (DOA) testified in support of the intent of the measure, but opposed the part that the DOA adopt uniform inspection and certification requirements for all coffee beans grown in Hawaii for roasted coffee since there are current administrative rules established for the inspection and certification for all green coffee grown in Hawaii.

The Hawaii Teamsters and Allied Workers Local 996, DFS Hawaii, Hilo Hattie dba Pomare, Ltd., Hawaii Coffee Company, Brew Moon Restaurant & Microbrewery, Royal Kona Visitor Center Mill & Museum, Captain Cook Coffee Co., Maui Wowi Hawaiian Coffee & Smoothies, Maui Oma Coffee Roasting Company, Royal Island Coffee Hawaii, and other individuals also supported this measure.

Punawele Farms, LLC, Aina na Hoku Kai Farm, Kanalani Ohana Farm, Moonstruck Farm, and Good Kine Coffee provided opposing testimony and recommended that a feasibility study rather than a firm recommendation should be made due to wide ranging unintended consequences of changes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 110 and recommends its adoption.

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

**SCRep. 2028 Consumer Protection & Commerce on H.C.R. No. 111**

The purpose of this concurrent resolution is to protect consumers from misleading advertising and promote genuine, Hawaii-made coffee by requesting the Department of Agriculture (DOA) to study labeling requirements relating to the use of "Kona coffee" or other Hawaii-grown coffee names.

The Department of Agriculture supports the intent of this measure with some concerns. The department is concerned with the requirement to propose a uniform national labeling standard that specifies a requirement for coffee roasters to abide by for the use of "Kona" or other Hawaii place names in the short time provided. The department is concerned that this is a major undertaking and they are further concerned that no funds have been appropriated to conduct the study. The department is also unclear if blends of any composition are to be considered in this study. Without industry consensus on the Hawaii-grown percentage, the Department believes that the study is likely to be inconclusive and would be better deferred until the results of the study proposed in HCR 109 are available.

Hawaii Teamsters Local 996, Greenwell Farms, Maui Oma Coffee Roasting Co., Kona Coffee Council, Kona Mountain Coffee Company, Brew Moon Restaurant and Microbrewery, Maui Grown Coffee, Aina na Hoku Kai Farm, Maui Wowi Coffees and Smoothies, Coffee Systems Hawaii, Hawaii Coffee Company, Inc., Honolulu Brewing Company LLC, Royal Kona Visitor Center Mill & Museum, Royale Island Coffee Hawaii, Hawaii Coffee Association, DFS Group, Ltd., Longs Drug, and several concerned individuals provided testimony in support of this measure.

Keokea Kona Coffee Farm provided opposing testimony, proposing a feasibility study be done first.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 111 and recommends its adoption.

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

**SCRep. 2029 Public Safety & Military Affairs/Health on H.R. No. 186**

The purpose of this resolution is to protect the health of Hawaii's citizens by requesting that Hawaii's congressional delegation take action to obtain the assistance of the United States Department of Defense to conduct an environmental assessment of the scope and adequacy of depleted uranium storage, use, and disposal in Hawaii and report on training received by members of the Armed Forces involved in the handling of depleted uranium munitions on exposure to depleted uranium.

The Office of Hawaiian Affairs, Life of the Land, and a concerned individual supported this resolution. The Department of Defense provided comments.

Your Committees have amended this resolution by requesting a "review" rather than an "environmental assessment" of the scope and adequacy of depleted uranium storage, use, and disposal in Hawaii and report on training received by members of the Armed Forces involved in the handling of depleted uranium munitions on exposure to depleted uranium. As such, the title has been changed to, "REQUESTING THE CONGRESSIONAL DELEGATION OF THE STATE OF HAWAII TO TAKE ACTION TO OBTAIN ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF DEFENSE TO CONDUCT A REVIEW OF THE STORAGE, USE, AND DISPOSAL OF DEPLETED URANIUM MUNITIONS IN HAWAII."

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 186, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 186, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Souki and Takumi.  
(Representative Sonson voted no.)

**SCRep. 2030 Public Safety & Military Affairs/Health on H.C.R. No. 229**

The purpose of this concurrent resolution is to protect the health of Hawaii's citizens by requesting that Hawaii's congressional delegation take action to obtain the assistance of the United States Department of Defense to conduct an environmental assessment of the scope and adequacy of depleted uranium storage, use, and disposal in Hawaii and report on training received by members of the Armed Forces involved in the handling of depleted uranium munitions on exposure to depleted uranium.

The Office of Hawaiian Affairs, Life of the Land, and a concerned individual supported this concurrent resolution. The Department of Defense provided comments.

Your Committees have amended this concurrent resolution by requesting a "review" rather than an "environmental assessment" of the scope and adequacy of depleted uranium storage, use, and disposal in Hawaii and report on training received by members of the Armed Forces involved in the handling of depleted uranium munitions on exposure to depleted uranium. As such, the title has been changed to, "REQUESTING THE CONGRESSIONAL DELEGATION OF THE STATE OF HAWAII TO TAKE ACTION TO OBTAIN ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF DEFENSE TO CONDUCT A REVIEW OF THE STORAGE, USE, AND DISPOSAL OF DEPLETED URANIUM MUNITIONS IN HAWAII."

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 229, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 229, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Souki and Takumi. (Representative Sonson voted no.)

**SCRep. 2031 Human Services & Housing on H.R. No. 48**

The purpose of this resolution is to urge the adoption of the United Nations' Convention on the Rights of the Child as a guideline for addressing concerns related to Hawaii's keiki.

The Pacific Justice and Reconciliation Center and several concerned individuals testified in support of this resolution. Several concerned individuals opposed this measure. The Representative of the 18<sup>th</sup> District and the Home School Legal Defense Association provided comments.

Your Committee has amended this resolution by:

- (1) Changing its title to, "URGING THE ADOPTION OF THE UNITED NATIONS' CONVENTION ON THE RIGHTS OF THE CHILD"; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 48, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 48, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Bertram, Green and Takai. (Representatives Cabanilla, Mizuno and Ward. voted no.)

**SCRep. 2032 Human Services & Housing on H.C.R. No. 69**

The purpose of this concurrent resolution is to urge the adoption of the United Nations' Convention on the Rights of the Child as a guideline for addressing concerns related to Hawaii's keiki.

The Pacific Justice and Reconciliation Center and several concerned individuals testified in support of this concurrent resolution. Several concerned individuals opposed this measure. The Representative of the 18<sup>th</sup> District and the Home School Legal Defense Association provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to, "URGING THE ADOPTION OF THE UNITED NATIONS' CONVENTION ON THE RIGHTS OF THE CHILD"; 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 & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 69, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 69, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Bertram, Green and Takai. (Representatives Cabanilla, Mizuno and Ward voted no.)

**SCRep. 2033 Economic Development & Business Concerns/Consumer Protection & Commerce on H.C.R. No. 276**

The purpose of this concurrent resolution is to oppose the enactment of Senate Bill 974, currently pending before the California State Legislature, which would increase the cost of living in Hawaii by imposing a fee of \$30 per 20-foot equivalent unit on every cargo container traveling between California and Hawaii.

The Department of Transportation, Chamber of Commerce of Hawaii, and Horizon Lines, LLC, supported this concurrent resolution. Alexander & Baldwin and Matson Navigation Company, Inc., supported the intent of this measure. ILWU Local 142 opposed this measure.

Hawaii's geographic isolation makes our state uniquely dependent on shipping. Over 90 percent of the goods that we consume are shipped to Hawaii, and we have few other transportation alternatives. California Senate Bill 974 would increase Hawaii consumer costs by approximately \$68,000,000 per year.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business Concerns and Consumer Protection & Commerce that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 276 and recommend its adoption.

Signed by all members of the Committee except Representatives Berg, Ito, Luke, Morita, Sonson and Souki.

**SCRep. 2034 Economic Development & Business Concerns on H.R. No. 57**

The purpose of this resolution is to reinforce the bridge of understanding and mutual assistance between the Philippines and the State of Hawaii by requesting the Governor to take all necessary actions to establish a state-province affiliation with the Province of Cagayan.

Several concerned individuals testified in support of this resolution. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee finds that the establishment of a more formal relationship between Hawaii and the Province of Cagayan will increase the opportunities for cultural, educational, economic, and humanitarian exchanges between the Province of Cagayan and Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 57, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Berg.

**SCRep. 2035 Economic Development & Business Concerns on H.C.R. No. 81**

The purpose of this concurrent resolution is to reinforce the bridge of understanding and mutual assistance between the Philippines and the State of Hawaii by requesting the Governor to take all necessary actions to establish a state-province affiliation with the Province of Cagayan.

Several concerned individuals testified in support of this concurrent resolution. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee finds that the establishment of a more formal relationship between Hawaii and the Province of Cagayan will increase the opportunities for cultural, educational, economic, and humanitarian exchanges between the Province of Cagayan and Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 81, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Berg.

**SCRep. 2036 Economic Development & Business Concerns on H.R. No. 231**

The purpose of this resolution is to increase the opportunities for trade between Hawaii and Taiwan by urging the President of the United States to enter into a free trade agreement with Taiwan.

The Department of Business, Economic Development, and Tourism, Chinese Chamber of Commerce of Hawaii, and a concerned individual supported this measure.

Your Committee finds that a free trade agreement would eliminate or reduce tariffs and other trade barriers between Hawaii and Taiwan and establish a platform from which to export goods and services into the Greater China region and Southeast Asia.

Your Committee has amended this resolution by removing a reference to the People's Republic of China.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 231, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 231, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Chang, Herkes, Tsuji and Yamane.

**SCRep. 2037 Economic Development & Business Concerns on H.C.R. No. 290**

The purpose of this concurrent resolution is to increase the opportunities for trade between Hawaii and Taiwan by urging the President of the United States to enter into a free trade agreement with Taiwan.

The Department of Business, Economic Development, and Tourism, Chinese Chamber of Commerce of Hawaii, and a concerned individual supported this measure.

Your Committee finds that a free trade agreement would eliminate or reduce tariffs and other trade barriers between Hawaii and Taiwan and establish a platform from which to export goods and services into the Greater China region and Southeast Asia.

Your Committee has amended this concurrent resolution by removing a reference to the People's Republic of China.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 290, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 290, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Chang, Herkes, Tsuji and Yamane.

**SCRep. 2038 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 199**

The purpose of this concurrent resolution is to ensure that our ocean and coastal resources are properly managed by requesting the Office of Planning to work with the county and federal governments to implement the goals and strategic actions in the 2006 Ocean Resources Management Plan and that the Legislature endorses the plan.

The Department of Land and Natural Resources, Department of Business, Economic Development & Tourism, Office of Planning, and the Department of Agriculture supported this measure. The Hawaii Nearshore Fishermen opposed this measure.

Your committee finds that the language of the measure should more accurately reflect the present condition of our ocean resources to have a better assessment of the impact of implementing the 2006 Ocean Resources Management Plan.

Accordingly, your committee has amended this Concurrent Resolution by replacing it with H.C.R. No. 199 H.D. 1. H.C.R. 199 H.D. 1 is entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO REPORT TO THE LEGISLATURE ON EXISTING MARINE PROTECTED AREAS.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 199, H.D. 1.

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

**SCRep. 2039 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 230**

The purpose of this concurrent resolution requesting the department of land and natural resources to convene a panel to study the relationship between the interisland transportation of gill nets or lay nets and the spread of foreign marine species.

The Department of Land and Natural Resources submitted testimony supporting the intent. Hawaii Nearshore Fisherman submitted testimony in opposition to this measure.

Your Committee finds that the Department of Land and Natural Resources could better serve the nearshore fisherman and its community of users and participants if the Department directed its time and resources to fisheries management measures that work toward managing resources and mitigating certain species.

Your committee has amended this measure by

- (1) Changing the title of this concurrent resolution to "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO CONSIDER IMPOSING AN ANNUAL PERIODIC CLOSURE PROHIBITING OR RESTRICTING BY BAG LIMIT THE NIGHT TIME COMMERCIAL HARVEST OF PARROT FISH"; and
- (2) Deleting its contents and replacing it with language to consider imposing a closure or bag limit on the parrot fish; and
- (3) Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 230, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 230, H.D. 1.

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



**SCRep. 2040 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 130**

The purpose of this House resolution is to increase the Legislature's awareness and knowledge regarding the wastewater collection, treatment, and disposal systems of the counties by requesting the House Committees on Energy & Environmental Protection and Water, Land, Ocean Resources & Hawaiian Affairs to jointly schedule a briefing on the counties' wastewater problems and issues.

The Mayor of the City and County of Honolulu testified and requested amendments to this resolution.

Your Committees find that if the United States Environmental Protection Agency (EPA) denies the City and County of Honolulu (C&C's) request for 301(h) waivers, Honouliuli Wastewater Treatment Plant and Sand Island Wastewater Treatment Plant are faced with major improvement projects. The EPA has issued a tentative waiver denial for the Honouliuli Plant and is expected to deny the waiver request for the Sand Island Plant. Denials would require over a billion dollars to be spent for improvements to meet EPA requirements and DOH's water quality standards. C&C has been working earnestly and in good faith with EPA and DOH to settle the disputes in a manner that will allow C&C to pursue a prudent and reasonable course of action to resolve C&C's long-standing wastewater challenges.

Your Committees find that the complexity and magnitude of the wastewater problems facing C&C would best be resolved by a global settlement between the regulators and C&C, as opposed to time consuming and costly litigation. A global settlement approach has also been encouraged by Hawaii's Congressional Delegation. Accordingly, your Committees have amended this House resolution by substituting its contents with, among other things:

- (1) A title that reads as follows:  

"REQUESTING THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND STATE OF HAWAII DEPARTMENT OF HEALTH TO PURSUE A GLOBAL SETTLEMENT OF OUTSTANDING WASTEWATER ISSUES WITH THE CITY AND COUNTY OF HONOLULU";
- (2) Background information that supports the request for a global settlement; and
- (3) A directive to transmit the amended resolution to the Governor, Director of Health, Regional Administrator of Region IX of the United States Environmental Protection Agency, and members of Hawaii's Congressional Delegation.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 130, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 130, H.D. 1.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 2041 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 129**

The purpose of this resolution is to facilitate the recycling of the ash produced by H-Power into a useful product and thereby extend the useful life of our landfills by requesting the Department of Health (DOH) to:

- (1) Waive the requirements, if legally possible, to modify H-Power's permit to allow an ash conversion test at H-Power's site; or
- (2) Suggest an alternative method to conduct the ash conversion test that does not require permit modifications; and
- (3) If neither is possible, expedite the permit modification process to less than the 180-day automatic approval period.

Covanta Energy testified in support of this resolution. DOH opposed this measure. The Department of Environmental Services of the City and County of Honolulu commented on this resolution.

H-Power is the cornerstone of the City and County of Honolulu's municipal solid waste program that converts approximately 660,000 tons of solid waste to energy annually and saves landfill space by reducing the solid waste volume by 90 percent. Your Committees support the conversion of ash to a recycled usable byproduct in a manner that does not compromise the safety and health of the public.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 129 and recommend its adoption.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 2042 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 162**

The purpose of this concurrent resolution is to facilitate the recycling of the ash produced by H-Power into a useful product and thereby extend the useful life of our landfills by requesting the Department of Health (DOH) to:

- (1) Waive the requirements, if legally possible, to modify H-Power's permit to allow an ash conversion test at H-Power's site; or
- (2) Suggest an alternative method to conduct the ash conversion test that does not require permit modifications; and
- (3) If neither is possible, expedite the permit modification process to less than the 180-day automatic approval period.

Covanta Energy testified in support of this concurrent resolution. DOH opposed this measure. The Department of Environmental Services of the City and County of Honolulu commented on this concurrent resolution.

H-Power is the cornerstone of the City and County of Honolulu's municipal solid waste program that converts approximately 660,000 tons of solid waste to energy annually and saves landfill space by reducing the solid waste volume by 90 percent. Your Committees support the conversion of ash to a recycled usable byproduct in a manner that does not compromise the safety and health of the public.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 162 and recommend its adoption.

Signed by all members of the Committee except Representative Saiki.

**SCRep. 2043 Finance on H.C.R. No. 203**

The purpose of this concurrent resolution is to develop a skin cancer education and prevention program and collect data.

Testimony in support of this concurrent resolution was received from the Hawaii Medical Association, American Cancer Society, and Department of Education. The Department of Health 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 concurs with the intent and purpose of H.C.R. No. 203 and recommends its adoption.

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

**SCRep. 2044 Finance on H.C.R. No. 132**

The purpose of this concurrent resolution is to request the Office of the Governor to study the feasibility of establishing a gift shop in the State Capitol.

Upon further consideration, your Committee has amended this concurrent resolution to:

- (1) Request the Department of Accounting and General Services (DAGS) to conduct the study; and
- (2) Require DAGS to consult with the Senate and House Sergeant-at-Arms offices.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 132, H.D. 2.

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

**SCRep. 2045 Finance on H.C.R. No. 154**

The purpose of this concurrent resolution is to require the Department of Land and Natural Resources to coordinate the development of a Hanapepe salt pond resource management plan.

Your Committee has made amendments to conform this concurrent resolution to the intent and purpose expressed in the title by changing certain references to the Office of Planning to the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 154, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 154, H.D. 2.

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

**SCRep. 2046 Finance on H.C.R. No. 205**

The purpose of this concurrent resolution is to provide a cost estimate of establishing a sun protection program for students in public schools.

Testimony in support of this concurrent resolution was received by the Hawaii Medical Association, American Cancer Society, Department of Education, and a dermatologist. Testimony in opposition to this concurrent resolution was received by the Department of Health.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Clarifying that the Department of Education instead of the Department of Health will be responsible for the report; and
- (2) Deleting county-sponsored programs from the report.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 205, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 205, H.D. 1.

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

**SCRep. 2047 Finance on H.C.R. No. 240**

The purpose of this concurrent resolution is to convene a task force to recommend a process to create a citizen road watch program.

Upon further consideration, your Committee has amended this concurrent resolution to remove the requirement that certified copies of this concurrent resolution be sent to the Speaker of the House and the Senate President.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 240, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 240, H.D. 1.

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

**SCRep. 2048 Finance on H.C.R. No. 242**

The purpose of this concurrent resolution is to establish a Kapa'a Quarry Road safety task force.

Upon further consideration, your Committee has amended this concurrent resolution to remove the requirement that certified copies of this concurrent resolution be sent to:

- (1) The Speaker of the House,
- (2) The Senate President, and
- (3) Businesses, schools, and property owners in the surrounding area.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 242, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 242, H.D. 2.

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

**SCRep. 2049 Energy & Environmental Protection on H.R. No. 156**

The purpose of this resolution is to facilitate the development of wave energy in Hawaii by urging the Department of Business, Economic Development, and Tourism (DBEDT) to support the ongoing research and development of wave energy devices in Hawaii and the creation of a wave energy facility.

DBEDT supported the intent of this resolution. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs commented on this measure.

Hawaii must reduce its dependence on imported fossil fuel. Your Committee finds that wave energy holds the potential to satisfy all the energy needs of this state and, until that time, it can be a significant component in Hawaii's energy portfolio to obtain fossil fuel-independence in an environmentally safe manner.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 156 and recommends its adoption.

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

**SCRep. 2050 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on H.R. No. 204**

The purpose of this concurrent resolution is to request the Department of Taxation together with the Department of Land and Natural Resources, to develop a statewide greenbelts strategy to promote the identification or development of transportation management systems that are based on the reduction of automobile use or alternatives to the automobile.

The Department of Transportation opposed this measure. The Department of Land and Natural Resources and the Hawaii Automobile Dealer's Association provided comments.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 204 and recommend its adoption.

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

**SCRep. 2051 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on H.C.R. No. 254**

The purpose of this concurrent resolution is to request the Department of Taxation together with the Department of Land and Natural Resources, to develop a statewide greenbelts strategy to promote the identification or development of transportation management systems that are based on the reduction of automobile use or alternatives to the automobile.

The Department of Transportation opposed this measure. The Department of Land and Natural Resources and the Hawaii Automobile Dealer's Association provided comments.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Energy & Environmental Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 254 and recommend its adoption.

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

**SCRep. 2052 Legislative Management on H.C.R. No. 183**

The purpose of this concurrent resolution is to determine the feasibility of enabling recipients of Medicaid personal care services or home- and community-based services to direct and manage their personal assistance services according to their own specific needs. This measure requests the Legislative Reference Bureau (LRB) to study the Cash and Counseling program and its implementation in other states.

The Policy Advisory Board for Elder Affairs and two concerned individuals testified in support of this concurrent resolution. LRB opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Department of Human Services instead of LRB to conduct the study;
- (2) Changing the title to read:

"REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO STUDY THE IMPLEMENTATION OF THE CASH AND COUNSELING PROGRAM IN OTHER STATES"; and

- (3) Making technical, nonsubstantive amendments for 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 concurs with the intent and purpose of H.C.R. No. 183, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 183, H.D. 2.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 2053 Legislative Management on H.C.R. No. 194**

The purpose of this concurrent resolution is to request the Senate Committee on Judiciary and Labor and the House of Representatives Committee on Labor and Public Employment to convene a joint hearing to consider the impact that an expanded labor force needed for the proposed expansion of the Turtle Bay Resort will have on the North Shore of Oahu.

UNITE HERE! Local 5, Keep the North Shore Country, and two concerned individuals testified in support of this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 2054 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 259**

The purpose of this concurrent resolution is to promote and protect farming operations on the Ewa plains of Oahu by requesting:

- (1) The Department of Agriculture (DOA) to facilitate the relocation of farms in the Ewa plains currently on land leased by D.R. Horton and expected to be displaced by residential development;

- (2) The Department of Land and Natural Resources (DLNR) to examine the feasibility of conducting a land exchange for a parcel between Farrington Highway and the H-1 Freeway on which a farm baseyard currently exists; and
- (3) DLNR to initiate the exchange of land should it be deemed feasible.

Hawaii Farm Bureau Federation supported this concurrent resolution. DOA supported the intent of this measure. D.R. Horton, Schuler Division opposed this measure. DLNR and the Department of Planning and Permitting of the City and County of Honolulu submitted comments.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 259 and recommend its adoption.

Signed by all members of the Committee except Representatives Brower, Morita, Saiki, Meyer and Thielen.

**SCRep. 2055 Energy & Environmental Protection on H.R. No. 158**

The purpose of this resolution is to alleviate the negative impacts on the health, welfare, and quality of life of Hawaii residents caused by aircraft noise generated tour helicopters and commercial jet aircraft over residential communities and recreation areas by, among other things, urging the Department of Transportation (DOT) to:

- (1) Immediately convene an aircraft noise abatement advisory committee for Honolulu and Hilo International Airports;
- (2) Submit to the 2008 Legislature and immediately implement an aircraft noise abatement community master plan and program for the close and distant vicinities of Honolulu and Hilo International Airports, with the participation of the aircraft noise abatement advisory committee;
- (3) Develop comprehensive aircraft noise abatement rules, standards, and procedures to protect the public health, welfare, and quality of life in the close and distant vicinities of state-owned and operated airports;
- (4) Consider establishing a nominal airport passenger ticket fee solely for furthering aircraft noise abatement;
- (5) Work with aircraft owners and operators, the military, the Federal Aviation Administration, and the Air Traffic Control Center work shift to decrease aircraft noise levels and minimize noise impacts; and
- (6) Establish an aircraft noise abatement website to provide for new levels of community awareness relative to airport and aircraft noise abatement operations.

Citizens against Noise of Hawaii and several concerned individuals supported this resolution. DOT supported the intent of this measure. The Hanalei-Haena Community Association and a concerned individual commented on this concurrent resolution.

A substantial number of private, commercial, and military aircraft occupy the airspace over Hawaii, and these aircraft exact significant harmful effects not only on the health of Hawaii residents, but also on our environment and our tourist-based economy. This situation will only be exacerbated by increasing air travel. Therefore, your Committee finds that immediate remedial action, in collaboration with the Federal Aviation Administration, is in order.

Your Committee has amended this resolution by adding the members of Hawaii's Congressional Delegation as transmittes of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 158, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 158, H.D. 1.

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

**SCRep. 2056 Energy & Environmental Protection on H.C.R. No. 200**

The purpose of this concurrent resolution is to alleviate the negative impacts on the health, welfare, and quality of life of Hawaii residents caused by aircraft noise generated by tour helicopters and commercial jet aircraft over residential communities and recreation areas by, among other things, urging the Department of Transportation (DOT) to:

- (1) Immediately convene an aircraft noise abatement advisory committee for Honolulu and Hilo International Airports;
- (2) Submit to the 2008 Legislature and immediately implement an aircraft noise abatement community master plan and program for the close and distant vicinities of Honolulu and Hilo International Airports, with the participation of the aircraft noise abatement advisory committee;
- (3) Develop comprehensive aircraft noise abatement rules, standards, and procedures to protect the public health, welfare, and quality of life in the close and distant vicinities of state-owned and operated airports;
- (4) Consider establishing a nominal airport passenger ticket fee solely for furthering aircraft noise abatement;
- (5) Work with aircraft owners and operators, the military, the Federal Aviation Administration, and the Air Traffic Control Center work shift to decrease aircraft noise levels and minimize noise impacts; and
- (6) Establish an aircraft noise abatement website to provide for new levels of community awareness relative to airport and aircraft noise abatement operations.

Citizens against Noise of Hawaii and several concerned individuals supported this concurrent resolution. DOT supported the intent of this measure. The Hanalei-Haena Community Association and a concerned individual commented on this concurrent resolution.

A substantial number of private, commercial, and military aircraft occupy the airspace over Hawaii, and these aircraft exact significant harmful effects not only on the health of Hawaii residents, but also on our environment and our tourist-based economy. This situation will only be exacerbated by increasing air travel. Therefore, your Committee finds that immediate remedial action, in collaboration with the Federal Aviation Administration, is in order.

Your Committee has amended this concurrent resolution by adding the members of Hawaii's Congressional Delegation as transmittes of this measure.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 200, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 200, H.D. 1.

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

**SCRep. 2057 Energy & Environmental Protection on H.R. No. 159**

The purpose of this resolution is to reduce the impact on the health, welfare, and quality of life of Hawaii's residents from aircraft noise generated by commercial jet aircraft and tour helicopters by requesting the Federal Aviation Administration (FAA) to, among other things:

- (1) Do everything within its authority to fully implement aircraft noise abatement procedures and practices;
- (2) Establish aircraft operating procedures and air traffic patterns to reduce and control the effect of aircraft noise impact on communities within the proximity of airports and aircraft flight paths; and
- (3) Work with the state Department of Transportation (DOT) to establish a process for recorded verification that tour helicopters operate in compliance with FAA Special Federal Aviation Regulation No. 71, and Special Operating Rules for Air Tour Operators in the State of Hawaii, Section 6(a) and (b).

The Hanalei-Haena Community Association, Citizens Against Noise of Hawaii, and a concerned individual supported this resolution. DOT supported the intent of this measure. The North Shore Council and a concerned individual commented on this resolution.

Hawaii has a substantial number of private, commercial, and military aircraft occupying its airspace and these aircraft have significant harmful effects not only on the health of Hawaii residents, but also on our environment and tourist-based economy. Your Committee finds that the situation will only be exacerbated by increasing air travel and therefore immediate remedial action in collaboration with the FAA is in order.

Your Committee has amended this resolution by:

- (1) Adding Hawaii's Congressional Delegation as recipients of certified copies of this measure; 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 Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 159, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 159, H.D. 1.

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

**SCRep. 2058 Energy & Environmental Protection on H.C.R. No. 201**

The purpose of this concurrent resolution is to reduce the impact on the health, welfare, and quality of life of Hawaii's residents from aircraft noise generated by commercial jet aircraft and tour helicopters by requesting the Federal Aviation Administration (FAA) to, among other things:

- (1) Do everything within its authority to fully implement aircraft noise abatement procedures and practices;
- (2) Establish aircraft operating procedures and air traffic patterns to reduce and control the effect of aircraft noise impact on communities within the proximity of airports and aircraft flight paths; and
- (3) Work with the state Department of Transportation (DOT) to establish a process for recorded verification that tour helicopters operate in compliance with FAA Special Federal Aviation Regulation No. 71, and Special Operating Rules for Air Tour Operators in the State of Hawaii, Section 6(a) and (b).

The Hanalei-Haena Community Association, Citizens Against Noise of Hawaii, and a concerned individual supported this concurrent resolution. DOT supported the intent of this measure. The North Shore Council and a concerned individual commented on this concurrent resolution.

Hawaii has a substantial number of private, commercial, and military aircraft occupying its airspace and these aircraft have significant harmful effects not only on the health of Hawaii residents, but also on our environment and tourist-based economy. Your Committee finds that the situation will only be exacerbated by increasing air travel and therefore immediate remedial action in collaboration with the FAA is in order.

Your Committee has amended this concurrent resolution by:

- (1) Adding Hawaii's Congressional Delegation as recipients of certified copies of this measure; 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 Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 201, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 201, H.D. 1.

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

**SCRep. 2059 Legislative Management on H.C.R. No. 43**

The purpose of this concurrent resolution is to request the Auditor, to conduct a fiscal and management audit of the Department of Education's (DOE) special education program to ensure that an adequate level of special education services is being provided to special-needs students.

The Cure Autism Now Foundation, Hawaii State Teachers Association, Autism Society of Hawaii, The Hawaii Down Syndrome Congress, and several parents of children with special needs testified in support of the measure. DOE submitted comments stating that it would cooperate "to the fullest extent with any decision to conduct a fiscal and management audit."

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2060 Legislative Management on H.C.R. No. 103**

The purpose of this concurrent resolution is to request the Auditor to conduct a financial and management audit of the Mayor Wright Homes Tenant Association.

Many concerned residents and individuals testified in strong support of this concurrent resolution.

Your Committee finds that an audit conducted by the Auditor would enable the Legislature to better understand how the operations of the Mayor Wright Homes Tenant Association may be improved.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 2061 Legislative Management on H.C.R. No. 187**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study on respite care policies and programs in other states. This measure also requests the Executive Office on Aging to conduct an inventory of respite care services in Hawaii.

The Hawaii Aging Advocates Coalition and the Policy Advisory Board for Elder Affairs supported this measure. The State Council on Development Disabilities (DD) supported the intent of the measure. LRB offered comments.

Your Committee finds that a study of respite care services in other states and an inventory of respite care services in Hawaii would provide invaluable information for establishing respite care programs in the state.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 187, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 2062 Legislative Management on H.C.R. No. 195**

The purpose of this concurrent resolution is to address traffic concerns on the North Shore of Oahu by requesting the Senate Committee on Transportation and International Affairs and the House of Representatives Committee on Transportation to convene a joint hearing to consider the likely traffic impact of the proposed Turtle Bay Resort expansion and the mitigation measures that may be needed.

UNITE HERE! Local 5, Keep the North Shore Country, and two concerned individuals testified in support of this concurrent resolution. Kuilima Resort Company opposed 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 concurs with the intent and purpose of H.C.R. No. 195, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 2063 Legislative Management on H.C.R. No. 260**

The purpose of this concurrent resolution is to ensure the preservation and protection of historic and cultural properties in the state by requesting the Auditor to conduct a management audit of the Historic Preservation Division of the Department of Land and Natural Resources (DLNR).

The Office of Hawaiian Affairs, Hawaii Government Employees Association, and the Society for Hawaiian Archaeology testified in support of this concurrent resolution. DLNR offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 260, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2064 Legislative Management on H.C.R. No. 264**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to study the legality, effectiveness, and appropriateness of imposing the procurement process on public education and government cable access television stations.

Olelo Community Television, Na Leo O Hawaii, Akaku Community Television, the American Civil Liberties Union of Hawaii, and numerous individuals testified in support of this concurrent resolution. LRB and the Department of Accounting and General Services opposed 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 concurs with the intent and purpose of H.C.R. No. 264 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2065 Legislative Management on H.C.R. No. 284**

The purpose of this concurrent resolution is to enhance the safety of acute care hospital patients by requesting the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage of an advanced vital sign monitoring (AVSM) device for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued after December 31, 2007.

An AVSM device provides accurate and continuous observation of heart and respiratory rates while a patient is in bed and immediately notifies nursing staff upon detecting a life-threatening condition.

The Hawaii Health Systems Corporation and Hoana Medical, Inc., testified in support of this concurrent resolution. The Hawaii Medical Service Association offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 284, H.D. 1, and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 2066 Legislative Management on H.C.R. No. 188**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to conduct a study that compares the adult protective services of other states to Hawaii's adult protective services.

The Elderly Affairs Division of the City and County of Honolulu Department of Community Services, the Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, and the National Association of Social Workers, Hawaii Chapter testified in support of this concurrent resolution. LRB offered comments.

Your Committee has amended this measure by:

- (1) Providing additional statistics on the projected population shift to senior citizens in Hawaii over the next two decades; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 188, H.D. 2.

Signed by all members of the Committee except Representative Karamatsu.

**SCRep. 2067 Legislative Management on H.C.R. No. 326**

The purpose of this concurrent resolution is to improve the Hawaii Health Systems Corporation (HHSC) by requesting the President of the Senate and the Speaker of the House of Representatives to convene a joint task force to make recommendations concerning HHSC's structure and operations.

HHSC and numerous concerned individuals testified in support of this concurrent resolution.

Your Committee has amended this measure to clarify the composition of the joint task force by:

- (1) Including the chair, or a designee, of each of the legislative committees on health, instead of both the chair and vice chair of these committees;
- (2) Naming one member from the HHSC Board of Directors instead of two members;
- (3) Deleting representation from the Healthcare Association of Hawaii; and
- (4) Adding the Director of Health or a designee.

Your Committee has further amended this measure by making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 326, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 326, H.D. 1.

Signed by all members of the Committee.

**SCRep. 2068 Public Safety & Military Affairs on H.R. No. 171**

The purpose of this resolution is to request the United States Department of Defense to allow reserve component military service members who have sustained illnesses or injuries in the line of duty after mobilization for deployment in support of Operation Iraqi Freedom or Operation Enduring Freedom to either, until such time as they have fully recovered from their injuries:

- (1) Continue to be treated at the United States Department of Defense medical facilities on the same basis as active duty service members after they have been discharged or released from active duty to their reserve component units; or
- (2) Provide them with coverage under the military's Tricare program on the same basis as military retirees.

The Department of Defense, National Guard Association of Hawaii Insurance Trust, and numerous concerned individuals supported this resolution.

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. 171 and recommends its adoption.

Signed by all members of the Committee except Representatives Lee, Luke, Nishimoto, Takamine, Takumi and Pine.

**SCRep. 2069 Public Safety & Military Affairs on H.C.R. No. 213**

The purpose of this concurrent resolution is to request the United States Department of Defense to allow reserve component military service members who have sustained illnesses or injuries in the line of duty after mobilization for deployment in support of Operation Iraqi Freedom or Operation Enduring Freedom to either, until such time as they have fully recovered from their injuries:

- (1) Continue to be treated at the United States Department of Defense medical facilities on the same basis as active duty service members after they have been discharged or released from active duty to their reserve component units; or
- (2) Provide them with coverage under the military's Tricare program on the same basis as military retirees.

The Department of Defense, National Guard Association of Hawaii Insurance Trust, and numerous concerned individuals supported this concurrent resolution.

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. 213 and recommends its adoption.

Signed by all members of the Committee except Representatives Lee, Luke, Nishimoto, Takamine, Takumi and Pine.

**SCRep. 2070 Public Safety & Military Affairs on H.C.R. No. 312**

The purpose of this measure is to request the Governor to declare May 27, 2007, as "Honoring Our Soldiers Day."

Your Committee finds that it is necessary to get clear and accurate information on the true costs of sending Hawaii's inmates out-of-state.

Your Committee has amended this measure by deleting its contents and inserting language to request the Department of Public Safety to report on the financial requirements of transferring Hawaii inmates to out-of-state correctional facilities.

More specifically, your Committee has requested the Department of Public Safety to include in its report, but not be limited to, the following items:

- (1) Costs of transporting, housing, and any other operational and administrative costs, of sending inmates to out-of-state correctional facilities;
- (2) Expenditures of basic daily costs per inmate, per out-of-state facility;
- (3) An analysis of the costs of basic services and programs provided by private contractors, along with a breakdown of costs that exceed basic services and programs;
- (4) Expenditures since Fiscal Year 2002-2003, and projected expenditures, of air and ground transportation of inmates to and from Hawaii, and transportation of inmates to and from medical services;
- (5) Other personnel costs such as overtime; and
- (6) Revenue sources, including governmental matching funds or grants, and the department's ability to plan, implement, and expend funds on a timely basis.

Your Committee has also amended the title of the measure to conform to the contents of the concurrent resolution, as amended.

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. 312, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 312, H.D. 1.

Signed by all members of the Committee except Representatives Lee, Luke, Nishimoto, Takamine, Takumi and Pine.

**SCRep. 2071 Public Safety & Military Affairs/Health on H.R. No. 223**

The purpose of this resolution is to ensure timely and adequate provision of medical services statewide in times of emergency by requesting the Civil Defense Division (Civil Defense) of the Department of Defense (DOD), in cooperation with the Department of Health, to begin necessary preparations to establish a mobile emergency hospital unit in Hawaii.

The Disability and Communications Access Board and several concerned individuals supported this resolution. DOD submitted comments.

Your Committees have amended this resolution by:

- (1) Removing specific references to any current manufacturer of a mobile emergency hospital unit;
- (2) Requesting a report from Civil Defense and DOH on the cost and logistics of providing a mobile emergency hospital unit in Hawaii;
- (3) Requesting a report from DOD with information on the possible role the Emergency Management Assistance Compact could play in assisting Hawaii in times of emergency; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committees find that Hawaii's isolation from resources from the continental United States makes it imperative that we prepare to meet the health care needs of our citizens especially in times of disaster. A mobile emergency hospital unit provides the state with an excellent resource that is practical and flexible enough to meet health care needs on all islands. A unit known as the MED-1 was tested in some of the most extreme conditions following hurricane Katrina. This type of unit can be loaded onto a military transport plane or be sent via barge to our Neighbor Islands in their time of need. The MED-1's capabilities should be considered the standard to which all other mobile emergency hospital units are held to ensure the greatest use to our state.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 223, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 223, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Souki and Finnegan.

**SCRep. 2072 Public Safety & Military Affairs/Health on H.C.R. No. 283**

The purpose of this concurrent resolution is to ensure timely and adequate provision of medical services statewide in times of emergency by requesting the Civil Defense Division (Civil Defense) of the Department of Defense (DOD), in cooperation with the Department of Health, to begin necessary preparations to establish a mobile emergency hospital unit in Hawaii.

The Disability and Communications Access Board and several concerned individuals supported this concurrent resolution. DOD submitted comments.

Your Committees have amended this concurrent resolution by:

- (1) Removing specific references to any current manufacturer of a mobile emergency hospital unit;
- (2) Requesting a report from Civil Defense and DOH on the cost and logistics of providing a mobile emergency hospital unit in Hawaii;
- (3) Requesting a report from DOD with information on the possible role the Emergency Management Assistance Compact could play in assisting Hawaii in times of emergency; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committees find that Hawaii's isolation from resources from the continental United States makes it imperative that we prepare to meet the health care needs of our citizens especially in times of disaster. A mobile emergency hospital unit provides the state with an excellent resource that is practical and flexible enough to meet health care needs on all islands. A unit known as the MED-1 was tested in some of the most extreme conditions following hurricane Katrina. This type of unit can be loaded onto a military transport plane or be sent via barge to our Neighbor Islands in their time of need. The MED-1's capabilities should be considered the standard to which all other mobile emergency hospital units are held to ensure the greatest use to our state.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 283, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 283, H.D. 1.

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



**SCRep. 2073 International Affairs on S.C.R. No. 38**

The purpose of this concurrent resolution is to request the enactment of federal legislation that grants the priority issuance of visas to veterans' children with approved immigration petitions.

The W.W. II Fil-Am Veterans, Hawaii Chapter, testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to, "REQUESTING ENACTMENT OF THE FILIPINO VETERANS FAMILY REUNIFICATION ACT, OR SIMILAR LEGISLATION THAT GRANTS THE PRIORITY ISSUANCE OF VISAS TO VETERANS' CHILDREN WITH APPROVED IMMIGRATION PETITIONS";
- (2) Removing references to federal legislation numbers; 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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 38, as amended herein, and recommends that it be referred to the Committee on Public Safety & Military Affairs in the form attached hereto as S.C.R. No. 38, H.D. 1.

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

**SCRep. 2074 International Affairs on S.C.R. No. 41**

The purpose of this concurrent resolution is to condemn the proposed fee increase by the United States Citizenship and Immigration Services (USCIS) and request a halt on the fee increase for all naturalization applications.

The Hawaii Human Rights Center testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to, "STRONGLY OPPOSING THE FEE INCREASES PROPOSED BY THE UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES";
- (2) Replacing its contents with the similar contents contained in H.C.R. No. 191, which:
  - (A) Opposes proposed USCIS fee increases, particularly those that affect the attainment of United States citizenship and the preservation of family unity; and
  - (B) Urges Hawaii's Congressional Delegation to support a legislative inquiry into the proposed fee increases and support increased federal funding for USCIS;

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 International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 41, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Shimabukuro and Takai.

**SCRep. 2075 Human Services & Housing on S.C.R. No. 10**

The purpose of this resolution is to request the Judiciary to implement a pilot family court parenting plan model program in the first circuit family court.

The Judiciary provided comments on this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 10 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Ward.

**SCRep. 2076 Human Services & Housing on S.C.R. No. 69**

The purpose of this resolution is to urge the United States Department of Housing and Urban Development to remove designated buildings at Kalihi Valley Homes scheduled for demolition.

An individual testified in support of this resolution. The Hawaii Public Housing Authority testified in support of the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Bertram, Shimabukuro, Takai and Ward.

**SCRep. 2077 Education on S.C.R. No. 166**

The purpose of this concurrent resolution is to request the Department of Education to establish a temporary location for the Manoa Public Library to accommodate the community and students during the Library's two-year closure.

Testifying in support of this measure is the Department of Education, Hawaii State Public Library System, Friends of Manoa Library, and interested individuals.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Saiki, Shimabukuro and Takamine.

**SCRep. 2078 Agriculture on S.C.R. No. 3**

The purpose of this concurrent resolution is to promote fair and appropriate water rates for certain agricultural water users by requesting the Public Utilities Commission (PUC) to study the rate structures of private entities that furnish water used for agricultural purposes.

The Department of Agriculture and the Hawaii Farm Bureau Federation supported this measure. The Consumer Advocate and PUC submitted comments.

Your Committee notes that concerns were raised during the public hearing regarding the need for further clarification of the term "agricultural purposes". In addition, testimony from the PUC indicated that the PUC has jurisdiction over private water companies that are classified as "public utilities" in Chapter 269, Hawaii Revised Statutes. The PUC would not have jurisdiction over privately-owned water companies that are not public utilities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 3, S.D. 1, and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 2079 Agriculture on S.C.R. No. 102**

The purpose of this concurrent resolution is to improve the regulation of Kona and other Hawaii-grown coffee by requesting the Department of Agriculture (DOA) to, among other things:

- (1) Study labeling requirements related to the use of "Kona coffee" and other Hawaii-grown coffee names; and
- (2) Examine the effectiveness of current statutes and rules relating to the inspection, certification, and grade and quality assurance of Hawaii-grown coffee beans.

Kona Coffee Council, Royale Island Coffee Hawaii, Hawaii Teamsters Local 996, Harold L. King & Co., Inc., Japan-America Society of Hawaii, Hawaii Coffee Company, Inc., and several concerned individuals supported this measure. A concerned individual supported this measure with amendments. DOA supported the intent of this measure. Kona Coffee Farmers Association and several concerned individuals 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 concurs with the intent and purpose of S.C.R. No. 102, S.D. 1, and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

**SCRep. 2080 Education on S.C.R. No. 78**

The purpose of this measure is to increase student achievement by requesting the Department of Education to develop a comprehensive plan for programs that provide for high achieving students.

Testifying in support of this measure is the Department of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Saiki, Shimabukuro and Takamine.

**SCRep. 2081 Education/Labor & Public Employment on S.C.R. No. 56**

The purpose of this measure is to seek resolution to the teacher shortage problem in Hawaii by requesting the Department of Education to report on the retention and change in assignment of teachers within the Department of Education, with the intent to include conversion charter school teachers.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and an individual. The Department of Education and the Hawaii Educational Policy Center provided testimony supporting the intent of the resolution.

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 concur with the intent and purpose of S.C.R. No. 56, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Lee, Nakasone, Saiki, Shimabukuro, Takamine, Meyer and Pine.

**SCRep. 2082 Agriculture on S.C.R. No. 192**

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA) to establish a task force to develop long-term solutions to protect the livestock industry in Hawaii.

The University of Hawaii, Hawaii Farm Bureau Federation, Hawaii Teamsters Local 996, and Hawaii Egg Producers Association supported this measure. DOA supported the intent of this measure.

Your Committee recognizes that increased feed and transportation costs have jeopardized the financial viability of the livestock industry in Hawaii. Long-term solutions must be identified and implemented to help the industry overcome these challenges.

Your Committee also notes the concerns of DOA with respect to the availability of funding to cover the expenses of the task force.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 192 and recommends its adoption.

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

**SCRep. 2083 Agriculture on S.C.R. No. 206**

The purpose of this concurrent resolution is to preserve and protect taro in Hawaii by requesting the Department of Agriculture (DOA) to develop a taro security and purity research program.

DOA, University of Hawaii College of Tropical Agriculture and Human Resources, Hawaii Crop Improvement Association, and the Hawaii Farm Bureau Federation supported this measure. The Hawaii Agriculture Research Center 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 concurs with the intent and purpose of S.C.R. No. 206 and recommends its adoption.

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

**SCRep. 2084 Transportation on S.C.R. No. 155**

The purpose of this concurrent resolution is to improve traffic safety by establishing a Kapaa Quarry Road Safety Task Force to conduct a study to develop and recommend traffic safety measures for Kapaa Quarry Road in order to alleviate dangerous road conditions and reduce hazardous driving practices.

The Department of Transportation, Department of Transportation Services of the City and County of Honolulu, and a concerned individual testified in support of this measure.

Over the past few years, a number of fatalities and injuries have occurred on Kapaa Quarry Road. In 2007, several accidents claimed the lives of three individuals and injured at least six other individuals. While the posted speed limit on Kapaa Quarry Road is twenty-five miles per hour, many individuals travel this roadway at much higher speeds. In addition, the design of the roadway, with its numerous dips and turns, often encourages drivers to use the road as a form of "entertainment" akin to riding a rollercoaster. The establishment of a task force to develop and recommend traffic safety measures that should be implemented on this roadway will go a long way to improving traffic safety in this area.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Takumi, Meyer and Pine.

**SCRep. 2085 Higher Education on S.C.R. No. 137**

The purpose of this concurrent resolution is to improve financial efficiency by requesting the University of Hawaii to establish a long-term comprehensive financial plan.

Testimony in support of this measure was submitted by the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro and Takamine.

**SCRep. 2086 Human Services & Housing on S.C.R. No. 91**

The purpose of this resolution is to convene an international network addressing domestic violence and sex assault.

The Hawaii State Commission on the Status of Women (Commission), the Domestic Violence Clearinghouse and Legal Hotline and Oahu VOICES testified in support of this resolution.

Your committee recognizes that domestic violence and sex assault is an international issue and with Hawaii's proximity to Asia, Hawaii-based organizations addressing domestic violence and sex assault are natural conduits for international cooperation on this issue. Your committee would like the Commission to include Hawaii-based organizations, Asia-based organizations and other international organizations as a part of the network.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 2087 Human Services & Housing on S.C.R. No. 147**

The purpose of this resolution is to request the Hawaii Public Housing Authority to report on project spending.

The Hawaii Public Housing Authority provided testimony in support of the intent of this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 147, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 2088 Human Services & Housing on S.C.R. No. 220**

The purpose of this resolution is to request the Department of Human Services to conduct a statewide needs assessment of non-citizen victims of human trafficking.

The Representative of the 38<sup>th</sup> District and Na Loio – Immigrants and Public Interest Legal Center testified in support of this resolution. The Department of Human Services opposed this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 220, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 2089 Human Services & Housing on S.C.R. No. 81**

The purpose of this resolution is request the Auditor to conduct a financial and program audit of Hawaii's Independent Living Center.

The Disability and Communications Access Board, the Statewide Independent Living of Hawaii, Kuli Ike Kokua and numerous concerned individuals provided testimony in support of this resolution. Numerous concerned individuals provided testimony in opposition to this resolution. The Hawaii Centers for Independent Living, the Hawaii Island Adult Care, Inc. and numerous individuals provided comments on this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 81 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Green, Shimabukuro, Takai, Tokioka and Awana. (Representative Bertram voted no.)

**SCRep. 2090 Human Services & Housing on S.C.R. No. 122**

The purpose of this resolution is to support the breastfeeding mother's bill of rights offered as Senate Bill No. 1674 and Assembly Bill No. 3782 in the New York State Legislature.

Healthy Mothers, Healthy Babies Coalition of Hawaii and the International Formula Council provided testimony in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 122, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Green, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 2091 Human Services & Housing on S.C.R. No. 136**

The purpose of this resolution is to urge the Governor to appoint an interim director for the Executive Office on Aging until a permanent director is appointed.

The National Multiple Sclerosis Society, Hawaii Division, the Policy Advisory Board for Elder Affairs and the Hawaii Aging Advocates Coalition provided testimony in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 136, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Green, Shimabukuro, Takai, Tokioka and Awana.

**SCRep. 2092 Economic Development & Business Concerns on H.R. No. 274**

The purpose of this resolution is to protect customers who depend on interisland cargo service by requesting the Departments of Transportation (DOT) and Business, Economic Development, and Tourism (DBEDT) to study the reasons for, and potential impact of the proposed discontinuation of less-than-container-load interisland cargo service by Young Brothers, Ltd., and recommend solutions and alternatives to the Legislature.

DOT, the Agribusiness Development Corporation, and the Hawaii Business League supported this resolution. DBEDT, Young Brothers, Limited, the Maui County Farm Bureau, and the Hawaii Farm Bureau Federation supported the intent of this measure and requested amendments. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs commented on this resolution.

Interisland cargo service is the lifeline that sustains many of our Neighbor Island agribusinesses. The proposed study will help sort out the various factors contributing to the current situation and provide a more comprehensive basis upon which to develop a long-term solution.

Your Committee has amended this resolution by:

- (1) Requesting that there be an earnest effort to identify other transportation options to fill the potential loss of less-than-container-load cargo service; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 274, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 274, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Chang, Hanohano and Ching.

**SCRep. 2093 Transportation on S.C.R. No. 30**

The purpose of this concurrent resolution is to enhance pedestrian safety by requesting the State Department of Transportation (DOT) and the Department of Transportation Services of the City and County of Honolulu (DTS) to cooperate and coordinate efforts to harmonize pedestrian walk signal lights with the pedestrian's right of way in a crosswalk law.

DOT and DTS testified in support of this measure. The Disability and Communication Access Board supported this concurrent resolution with amendments.

The pedestrian fatality rate in Hawaii is extremely high, especially among our elderly population, with some estimates reporting that the pedestrian fatality rate for those aged 65 years and older in Hawaii is 169 percent higher than the rest of the nation. This is despite the fact that Hawaii has a law that is aimed at protecting a pedestrian's right of way while in a crosswalk.

One possible reason for the high number of these pedestrian fatalities is that a number of intersections in Hawaii do not allow sufficient time for individuals to cross. Moreover, some pedestrian walk signal lights are not synchronized to operate under the conditions stipulated in the pedestrian's right of way in a crosswalk law. Harmonizing the signal lights with this law will help in protecting pedestrians in Hawaii while allowing for traffic to flow smoothly.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Sonson, Takumi, Meyer and Pine.

**SCRep. 2094 Transportation on S.C.R. No. 138**

The purpose of this concurrent resolution is to urge the Department of Transportation (DOT) to implement xeriscaping to decorate roadways, medial strips, roundabouts, and other areas under its jurisdiction.

DOT testified in support of this measure.

Xeriscaping is an environmentally friendly method of landscaping that uses drought-tolerant plants in conjunction with irrigation techniques to allow for the minimal use of water while maintaining an attractive landscape. This type of landscaping also requires little maintenance. DOT's use of this type of landscaping to decorate roadways, medial strips, roundabouts, and other areas along Hawaii's roadways will provide environmentally friendly beautification while decreasing the strain on DOT with regard to landscape maintenance.

Your Committee notes, however, that landscaping of areas alongside roadways also may cause the State to incur liability costs should landscaping and maintenance be found to have contributed to a motor vehicle collision. Therefore, your Committee also urges DOT to be cognizant of this issue and encourages DOT to use landscape architects, in conjunction with engineers, to study landscape designs and plan accordingly when using xeriscaping techniques to avoid future litigation and liability.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 138 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, Nishimoto, Takumi, Meyer and Pine.

**SCRep. 2095 Higher Education/Labor & Public Employment on S.C.R. No. 73**

The purpose of this concurrent resolution is to improve faculty recruitment and retention by requesting the University of Hawaii to submit a report on information regarding salaries of the faculty and administrators of the University of Hawaii at Manoa.

Testimony in support of this measure was submitted by Northrop Grumman Space Technology and three individuals. Testimony in opposition of this measure was submitted by the University of Hawaii at Manoa.

Your Committee recognizes the concerns raised by the University of Hawaii at Manoa concerning privacy issues, particularly with regard to denials of salary adjustment requests. Accordingly, your Committee has amended this measure to include summary information on:

- (1) Decisions on requests made for salary adjustments;
- (2) Actions taken; and
- (3) Recommendations made to address complaints of salary inequities.

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 concur with the intent and purpose of S.C.R. No. 73, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 73, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Lee, Nakasone, Saiki, Shimabukuro, Souki, Takamine, Meyer and Pine.

**SCRep. 2096 Higher Education on S.C.R. No. 79**

The purpose of this measure is to improve efficiency within the University of Hawaii system by requesting the University of Hawaii to report on the linking of funding for individual campuses with performance goals.

Comments on this measure were submitted by the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro and Takamine.

**SCRep. 2097 Higher Education/Education on S.C.R. No. 67**

The purpose of this concurrent resolution is to support the pursuit of higher education by Hawaii students by requesting the P-20 Council and the University of Hawaii to report on early college awareness programs for elementary and middle school students.

The Hawaii State Teachers Association, Oahu Filipino Community Council, and United Filipino Community Council submitted testimony in support of this measure. The Hawaii P-20 Initiative submitted testimony in support of the intent of this measure. The National Federation of Filipino American Associations Region 12 supported the measure with amendments.

Upon consideration of the testimony received, your Committee has amended this measure by:

- (1) Requesting the Hawaii P-20 Council and University of Hawaii to include high school students in their recommendations to improve and expand early college awareness programs;
- (2) Changing the title of this concurrent resolution to read: "SENATE CONCURRENT RESOLUTION REQUESTING THE P-20 COUNCIL AND THE UNIVERSITY OF HAWAII TO REPORT ON EARLY COLLEGE AWARENESS PROGRAMS FOR ELEMENTARY, MIDDLE AND HIGH SCHOOL STUDENTS"; 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 Higher Education and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 67, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro and Takamine.

**SCRep. 2098 Consumer Protection & Commerce on S.C.R. No. 3**

The purpose of this measure is to request the Public Utilities Commission to study the rate and fee structures of private entities statewide that furnish water used for agricultural purposes in areas zoned for agricultural use, and further requests the Public Utilities Commission to do the following:

- (1) Perform an inventory of all privately-owned water systems statewide that are used for agricultural purposes;
- (2) Examine the water rate structures established by the local county board of water supply;
- (3) Examine and distinguish between the rate and fee structures for privately-owned water systems used for agricultural purposes and for residential purposes;
- (4) Determine the factors that distinguish the water rate for agricultural purposes and for residential purposes;
- (5) Seek input, collaboration, and guidance from the Department of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii, the Hawaii Farm Bureau Federation, and each county board of water supply; and

submit a written report to the Legislature of its findings and recommendations before the convening of the 2008 Regular Session.

Your Committee received testimony in support of this measure from the Department of Agriculture and Palila Growers. Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and the Public Utilities Commission of the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 3, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Green, Ito, Luke, Souki and Thielen.

**SCRep. 2099 Education on S.C.R. No. 57**

The purpose of this measure is to request the United States Congress to propose amendments to the No Child Left Behind Act of 2001.

The Chair of the College of Education Faculty Senate of UH provided testimony in strong support of this measure. In support of this resolution are the Department of Education Superintendent, the president of the Hawaii State Teachers Association, and the executive director of the Hawaii Association of Independent Schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Saiki, Takai, Takamine, Takumi and Wakai.

**SCRep. 2100 Education/Legislative Management on S.C.R. No. 74**

The purpose of this measure is to request the Auditor to conduct a financial, program, and management audit of the Department of Education's Hawaiian Studies Program.

Testifying in strong support are several Kupuna working within the Department of Education, a senior professor at the Kamakakuokalani Center for Hawaiian Studies at UH, a kupuna testifying in support, the Department of Education Superintendent providing testimony supporting the intent of this measure, and the president of the Hawaii State Teachers Association offering comments.

As affirmed by the records of votes of the members of your Committees on Education and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 74, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Saiki, Takai, Takamine, Takumi and Wakai.

**SCRep. 2101 Public Safety & Military Affairs on S.C.R. No. 32**

The purpose of this concurrent resolution is to enhance fire safety in Hawaii by requesting the Department of the Attorney General (AG) to study the impact of cigarette fire safety standards established in other states.

The State Fire Council (SFC) and Honolulu Fire Department supported the intent of this concurrent resolution. The AG opposed this measure.

Your Committee finds that the irresponsible use of cigarettes plays a dangerous role in damage and injuries caused by fires in Hawaii. Although the AG submitted testimony opposing this concurrent resolution, it is important that this measure move forward to encourage further discussion on this matter. Your Committee encourages the AG to work closely with the Department of Health, SFC, Department of Business, Economic Development, and Tourism, and Department of Taxation to determine the agency best suited to take charge of heading up the implementation and enforcement of new cigarette fire standards. These parties are also urged to discuss plans to support the reintroduction in the Regular Session of 2008, legislation such as House Bill No. 637, which would have prohibited the sale of cigarettes in Hawaii that are not reduced ignition propensity "fire-safe".

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32 and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey, Nishimoto, Souki, Takamine and Takumi.

**SCRep. 2102 Public Safety & Military Affairs on S.C.R. No. 39**

The purpose of this concurrent resolution is to request that the United States Congress and the President of the United States enact the Filipino American Veterans Equity Act of 2007, or similar legislation to provide federal veterans benefits and services to Filipino World War II veterans.

The Oahu Filipino Community Council, Asian American Network for Cancer Awareness Research and Training, National Federation of Filipino American Associations – Region 12, Congress of Visayan Organizations, Filipino Coalition for Solidarity, Nursing Advocates and Mentors, Inc., United Filipino Council of Hawaii, Philippine Nurses Association – Hawaii, and a concerned individual supported this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, McKelvey, Nishimoto, Souki, Takamine and Takumi.

**SCRep. 2103 Finance on S.C.R. No. 41**

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to support a legislative inquiry into the fee increases being proposed by the United States Citizenship and Immigration Service (USCIS) and to support increased federal funding for USCIS.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Sagum, Tokioka and Ward.

**SCRep. 2104 Finance on S.C.R. No. 69**

The purpose of this concurrent resolution is to urge the United States Department of Housing and Urban Development to remove designated buildings at Kalihi Valley Homes from the list of structures scheduled for demolition and, instead, work with the Hawaii Public Housing Authority to renovate the units.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Sagum, Tokioka and Ward.

**SCRep. 2105 Finance on S.C.R. No. 166**

The purpose of this concurrent resolution is to request the Department of Education to establish a temporary location for the Manoa Public Library to accommodate the students and community during the library's two-year closure for renovations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Sagum, Tokioka and Ward.

**SCRep. 2106 Finance on S.C.R. No. 115**

The purpose of this concurrent resolution is to request the Department of Taxation (DoTAX) to codify the language of the references to Internal Revenue Code provisions in section 235-110.7, Hawaii Revised Statutes, in one or more sections of the income tax law.

Testimony in support of this concurrent resolution was received from DoTAX and a former Chair of the Tax Review Commission.

Upon further consideration, your Committee has amended this concurrent resolution to request the Department of Taxation to redraft the current capital goods excise tax credit.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 115, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Chong, Sagum, Tokioka and Ward.

**SCRep. 2107 Health on S.C.R. No. 33**

The purpose of this concurrent resolution is to request the United States Congress to re-evaluate the Medicare formula for computing payments to doctors or take other measures to avert future reductions in payments for services.

The Hawaii Chapter American Physical Therapy Association submitted testimony in support of this measure. The Department of Human Services provided comments on this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 33 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 2108 Health on S.C.R. No. 202**

The purpose of this measure is to prevent hospitalizations and deaths from preventable diseases of children by requesting the Department of Health to review the State's vaccination requirements and determine whether vaccination for pneumococcal disease for children entering child care should be added to the current list of required vaccinations.

The Department of Health opposed this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 202 and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 2109 Health/Human Services & Housing on S.C.R. No. 198**

The purpose of this concurrent resolution is to alleviate the growing unsustainable financial burden on acute care hospitals throughout the State by requesting the Healthcare Association of Hawaii to examine the problem of patients in acute care hospitals waitlisted for long term care and to propose solutions.

The Department of Health, Kaiser Permanente, Hawaii Long Term Care Association, Hawaii Disability Rights Center, Healthcare Association of Hawaii, and the Queen's Medical Center supported this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 198 and recommend its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 2110 Health/Human Services & Housing on S.C.R. No. 217**

The purpose of this concurrent resolution is to ease the strain of physicians leaving the State and hospitals by urging the United States Congress to increase the Medicare reimbursement rates for Hawaii.

The Department of Human Services, The Hawaii Chapter American Physical Therapy Association and the Healthcare Association of Hawaii supported this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 217 and recommend its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 2111 Consumer Protection & Commerce on S.C.R. No. 102**

The purpose of this concurrent resolution is to protect consumers and the Hawaii-grown coffee industry by requesting the Department of Agriculture (DOA) to study:

- (1) Existing labeling requirements relating to the use of Hawaii-grown coffee names; and
- (2) The effectiveness of administrative rules concerning the inspection, certification, and audit requirements for Hawaii-grown coffee.

The Hawaii Coffee Association, Maui Oma Coffee Roasting Company, and numerous concerned individuals testified in support of this concurrent resolution. DOA supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Inserting additional discussion regarding the concerns of Kona coffee growers and processors as to the appropriate percentage of Kona coffee beans that a coffee blend should contain in order to bear the Kona coffee name;
- (2) Changing the deadline for DOA to submit its report to the Legislature to at least 20 days prior to the convening of the 2009 Regular Session, rather than the 2008 Regular Session; and
- (3) 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 concurs with the intent and purpose of S.C.R. No. 102, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Green, Ito, Luke, Souki and Thielen.

**SCRep. 2112 Transportation on S.C.R. No. 98**

The purpose of this concurrent resolution is to work towards increasing traffic safety by requesting the Auditor to conduct a performance audit of the traffic safety function of the Department of Transportation.

While traffic safety is an important issue, your Committee finds that numerous bills that address this issue are currently moving through the legislative process and that serious concerns have been raised with regard to the overreaching authority of bail agents. Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the language contained in H.C.R. No. 45. As amended, this measure requests the State Auditor conduct a sunrise review on the regulation of persons who apprehend bail fugitives as contemplated under H.B. No. 3014, H.D. 1, that was introduced during the Regular Session of 2006.

Your Committee has further amended this measure by:

- (1) Amending the title to read, "REQUESTING A SUNRISE REVIEW ON THE REGULATION OF PERSONS WHO APPREHEND BAIL FUGITIVES"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 98, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 98, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Takamine, Takumi and Meyer. (Representative Pine voted no.)

**SCRep. 2113 Health/Consumer Protection & Commerce on S.C.R. No. 209**

The purpose of this concurrent resolution is to increase safety in our hospitals by requesting the Auditor to study the social and financial impact of mandatory health insurance coverage for use of the LG1 Intelligent Medical Vigilance System (LG1).

The Healthcare Association of Hawaii and Hoana Medical, Inc. supported this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Identifying that, S.B. No. 409, which is moving through the legislative process, provides for medical insurance coverage for the use of the LG1; 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 Health and Consumer Protection & Commerce that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 209, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 209, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green, Ito, Luke, Souki, Takai and Thielen.

**SCRep. 2114 Health/Human Services & Housing on S.C.R. No. 48**

The purpose of this concurrent resolution is to request that the Hawaii Disability Rights Center (Center) provide an analysis of the laws governing its access to patient records and its policies and procedures for conducting investigations.

The Center and a concerned individual supported this concurrent resolution. The Senator from the 22<sup>nd</sup> District, ARC in Hawaii, and several concerned individuals supported this measure with amendments.

Your Committees have amended this concurrent resolution by:

- (1) Deleting the request for the Center to provide an analysis of the laws governing its access to patient records and its policies and procedures for conducting investigations;
- (2) Requesting the Auditor to perform a financial and program audit of the Center;
- (3) Changing its title to read, "REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND PROGRAM AUDIT OF THE HAWAII DISABILITIES RIGHTS CENTER"; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 48, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 48, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai. (Representatives Belatti, Bertram and Shimabukuro voted no.)



**SCRep. 2115 Consumer Protection & Commerce on S.C.R. No. 160**

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise review of the regulation of entities governed by chapters 514A and 514B, Hawaii Revised Statutes, relating to condominiums, for the purpose of creating a condominium commission.

Your Committee received testimony in support of this measure from the Hawaii Independent Condominium and Cooperative Owners, the Association of Apartment Owners of the Promenade, Wailana at Waikiki Condominium, Naha Apartments, Friends of Waikiki Banyan, Hawaii Council of Associations of Apartment Owners, and many concerned individuals several of which are past Presidents of their respective condominium association Boards of Directors. The Real Estate Commission offered comments on the measure, and the Hawaii Association of Realtors expressed reservations.

Your Committee finds that the Real Estate Commission is responsible for enforcing the laws, rules, and policies governing the rights and responsibilities of persons owning and residing in condominiums. Your Committee further finds that since the Real Estate Commission's primary mission is to license and regulate real estate professionals, and since approximately twenty percent of Hawaii's population resides within condominiums, it may behoove the Real Estate Commission to transfer all condominium duties to a separate condominium commission whose sole responsibility would be to govern condominium laws, rules, and policies.

While your Committee believes in the intent of this bill, it does have concerns about the applicability of 26H-6, Hawaii Revised Statutes, to condominiums as they are entities and not unregulated professions or vocations. As such, they may not be subject to 26H-6, and the creation of a commission may therefore not be subject to an analysis by the auditor. Your Committee urges the Committee on Legislative Management to explore this matter further.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, S.D. 1, and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Green, Ito, Luke, Souki and Thielen.

**SCRep. 2116 Labor & Public Employment/Economic Development & Business Concerns on S.C.R. No. 68**

The purpose of this measure is to request that the Attorney General and the Department of Accounting and General Services conduct a study on whether various factors such as workers' compensation costs, general excise tax requirements, and unemployment insurance premiums negatively impact the competitiveness of local contractors in comparison to out-of-state contractors concerning the awarding of contracts.

The International Union of Painters and Allied Trades District Council 50, and the Subcontractors Association of Hawaii testified in support of this measure. The Department of Accounting and General Services testified in opposition.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Development & Business Concerns that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 68, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chang, Evans, Herkes, Luke, Souki, Takamine, Takumi, Yamane, Ching and Marumoto.

**SCRep. 2117 Labor & Public Employment on S.C.R. No. 178**

The purpose of this measure is to request that the Auditor conduct a comprehensive study on the results and impact of Act 45, Session Laws of Hawaii 2005, on various areas including: members and retirees of the Hawaii State Teachers Association, members and retirees of other bargaining units, public employers, the Hawaii Employer-Union Health Benefits Trust Fund, and any other persons or areas identified by the Auditor.

The Department of Budget and Finance and the Hawaii Employer-Union Health Benefits Trust Fund testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 178 and recommends that it be referred to the Committees on Finance and Legislative Management.

Signed by all members of the Committee except Representatives Evans, Luke, Nishimoto, Souki, Takamine and Takumi.

**SCRep. 2118 Health on S.C.R. No. 199**

The purpose of this concurrent resolution is to address long-term care needs while incorporating complementary services and medical training partnerships by requesting the University of Hawaii to expand and extend its current land lease with Leahi Hospital to facilitate campus-wide master planning and long term development of geriatric and long-term health care services.

The Leahi Hospital supported this measure. The University of Hawaii provided comments on this resolution.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 199, S.D. 1, and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 2119 Health on S.C.R. No. 197**

The purpose of this concurrent resolution is to ease the critical healthcare shortages faced by Neighbor Islands, reduce costs associated with practicing medicine and to allow healthcare providers to practice medicine in rural areas of the state by encouraging the Counties to form partnerships with the State and private sector to cover healthcare infrastructure and overhead costs for primary care and specialty physicians practicing medicine in Hawaii's rural areas.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 197 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 2120 Health/Human Services & Housing on S.C.R. No. 213**

The purpose of this concurrent resolution is to improve healthcare for people in low-income groups by requesting the Governor to fund breast cancer and cervical cancer screening for low-income women in Hawaii.

The University of Hawaii supported this measure. The Department of Health submitted comments on this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 213 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green and Takai.

**SCRep. 2121 Health/Consumer Protection & Commerce on S.C.R. No. 212**

The purpose of this concurrent resolution is to prevent the loss of medical doctors from Hawaii by requesting the Director of Health and the Department of Labor and Industrial Relations Workforce Development Council to convene a temporary task force to examine strategies, other than those having to do with medical malpractice liability and insurance premiums, that may prevent the exodus of physicians from the state.

The Consumer Lawyers of Hawaii supported this concurrent resolution. The Department of Health supported this measure with amendments.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection & Commerce that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 212, S.D. 2, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green, Ito, Luke, Souki, Takai and Thielen.

**SCRep. 2122 Agriculture on S.C.R. No. 193**

The purpose of this concurrent resolution is to assist the livestock industry in Hawaii by requesting Hawaii's Congressional delegation to legislate a reduction in federally regulated shipping or transportation fees for livestock feed or an exemption from federal statutes relating to livestock feed shipping and transportation costs from the mainland to Hawaii.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Teamsters Local 996, and the Hawaii Cattlemen's Council supported this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 193, S.D. 1, and recommends its adoption.

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

**SCRep. 2123 Agriculture/Legislative Management on S.C.R. No. 176**

The purpose of this concurrent resolution is to improve the management and oversight of the Molokai Irrigation System (System) by requesting the Auditor to conduct a financial and management audit of the System.

The Molokai Irrigation System Water Users Advisory Board, Ahupua'a o Moloka'i, Kalamau'ula Mauka Homeowners Homestead Association, and a concerned individual supported this measure. The Department of Agriculture opposed this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 176 and recommend its adoption.

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

**SCRep. 2124 Judiciary on S.C.R. No. 31**

The purpose of this concurrent resolution is to oppose the creation of a National Identification Card and the implementation of the Real ID Act of 2005.

The Hawaii Government Employees Association, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Na Loio-Immigrant Rights and Public Interest Legal Center, Hawaii Human Rights Center, Voter Owned Hawaii, and several concerned individuals testified in support of this concurrent resolution. The Hawaii State Coalition Against Domestic Violence offered comments.

Your Committee finds that, in addition to our State's long tradition of protecting civil rights and upholding privacy interests, our State Constitution explicitly recognizes a personal right to privacy in Article I, Section 6, along with a specific responsibility of the Legislature to protect that right. Accordingly, your Committee finds that our State is uniquely positioned to take a strong stance on matters relating to federal mandates that may infringe upon that right.

Your Committee also notes that the Real ID Act of 2005 is a largely unfunded mandate and its implementation in Hawaii would place a severe financial burden on our State's finances.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Caldwell, Green, Luke, Souki, Yamane, Marumoto and Thielen.

**SCRep. 2125 Judiciary on S.C.R. No. 175**

The purpose of this concurrent resolution is to request the Judiciary to provide the Legislature with a report detailing the Judiciary's progress in meeting the requirements of Act 206, Session Laws of Hawaii 1998, which requires the courts to assess a mandatory crime victim compensation fee against all convicted criminal offenders who have the ability to pay the fee.

The Crime Victim Compensation Commission and Department of the Prosecuting Attorney of the City and County of Honolulu testified in support of this concurrent resolution. The Judiciary supported the intent of this measure.

Your Committee received written materials from the Crime Victim Compensation Commission demonstrating that on numerous occasions, State courts have either assessed the mandatory fee improperly, or have not implemented the fee in correct priority with relation to other payments or fees required of convicted persons.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175 and recommends its adoption.

Signed by all members of the Committee except Representatives Caldwell, Green, Luke, Souki, Yamane, Marumoto and Thielen.

**SCRep. 2126 Energy & Environmental Protection on S.C.R. No. 53**

The purpose of this Concurrent Resolution is to promote the use of higher efficiency light bulbs to reduce dependence on fossil fuels.

Specifically, the measure:

- (1) Requests all state and county government facilities to replace incandescent light bulbs with ENERGY STAR qualified compact fluorescent light bulbs by January 1, 2010; and
- (2) Requests the Department of Business, Economic Development, and Tourism, as Energy Resources Coordinator, to develop incentive and educational programs to encourage private consumers to use ENERGY STAR qualified compact light bulbs.

The Environmental Center at the University of Hawaii at Manoa, the Hawaii Government Employees Association, and Hawaiian Electric Company, Inc. submitted testimony in support of the measure.

Your Committee finds that the cost of electricity will continue to increase as long as fossil fuels are used to generate electric power. In addition, the increased demand for energy depletes our limited fossil fuel reserves. Consumers, businesses, and government agencies that replace incandescent light bulbs with compact fluorescent light bulbs would reduce their electricity costs because compact fluorescent light bulbs use two-thirds less energy than incandescent light bulbs.

Your Committee finds that several countries already have banned the use of incandescent light bulbs and a number of states are considering such a ban. This Concurrent Resolution will promote the use of more efficient lighting and reduce our dependence on fossil fuels.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Saiki and Thielen.

**SCRep. 2127 Energy & Environmental Protection on S.C.R. No. 164**

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a study on the feasibility of creating a one-stop permit shop to expedite permit processing for renewable energy projects and to recommend any changes needed to establish this streamlined permit process.

Testimony in support of this measure was submitted by Castle & Cooke Hawai'i, Honolulu Seawater Air Conditioning, LLC, and Puna Geothermal Venture. The Department of Business, Economic Development, and Tourism, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and the Hawaii Energy Policy Forum submitted comments on this measure.

Your Committee finds renewable energy projects can provide substantial benefits to the State and that the development of renewable energy projects would advance the development of home-grown energy resources and would decrease the State's dependence on imported fossil fuels. Your Committee finds that a one-stop shop for permitting would assist both developers and government agencies by reducing inefficiencies, redundancies, and time delays, and encouraging private investment in renewable energy projects.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 164 and recommends its adoption.

Signed by all members of the Committee except Representatives Chong, Saiki and Thielen.

**SCRep. 2128 Health/Education on S.C.R. No. 37**

The purpose of this concurrent resolution is to publicize how people can help save lives by urging the Department of Education and Department of Health (DOH) to collaborate with the Organ Donor Center of Hawaii (ODCH) to increase awareness of the benefits of organ donation in the state.

ODCH and a concerned individual supported this concurrent resolution. DOH submitted comments.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 37 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Green, Saiki, Takai, Takamine, Takumi and Wakai.

**SCRep. 2129 Energy & Environmental Protection on S.C.R. No. 118**

The purpose of this measure is to:

- (1) Request the United States Environmental Protection Agency and the State Department of Health to enter into a global settlement of all issues facing the City and County of Honolulu with respect to improvements to its wastewater system; and
- (2) Urge the Environmental Protection Agency to grant section 301(h) waivers for the Honouliuli and Sand Island wastewater treatment plants allowing the plants to continue providing primary rather than secondary treatment of wastewater.

Your Committee received testimony in support of this measure from the Hawaii Water Environment Association and comments from Hawaii Pacific Engineers, Inc.

Your Committee finds that, after many years of neglect, the present City and County of Honolulu administration is undertaking the monumental task of accelerating urgently needed improvements to its wastewater collection system, including six major force mains, the need of which was disastrously evidenced by the recent force main failure in Waikiki. The city administration has already committed almost \$1,000,000,000 for improvements to its sewer collection and treatment system, most of the cost of which will be borne by residents of the city through increased sewer fees.

Making matters worse, the Environmental Protection Agency is tentatively considering the denial of section 301(h) waivers for the Honouliuli and Sand Island wastewater treatment plants, requiring the upgrade of the plants to require the provision of secondary rather than primary treatment of wastewater. The city administration and many local wastewater experts do not believe that the expensive upgrade of the present primary treatment of wastewater to secondary treatment is warranted. Further, such an upgrade could cost an additional \$1,200,000,000 to already burdened city residents.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 118, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Chong, Saiki and Thielen.

**SCRep. 2130 Finance on S.B. No. 249**

The purpose of this bill is to continue to promote healthy family relationships between fathers and children by making the State Commission on Fatherhood permanent.

The State Commission on Fatherhood, Hawaii Coalition for Dads, Children's Rights Council of Hawaii, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 249 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chong, Sagum, Tokioka and Ward.

**SCRep. 2131 International Affairs on S.C.R. No. 173**

The purpose of this measure is to express support for international education for Hawaii's students.

Testimony in support of this measure was submitted by the Department of Education, the University of Hawaii System, the University of Hawaii at Manoa and the NAFSA Hawaii Pacific District.

Your Committee finds that the world in which we live has become a global society, supporting global ideas and a global economy and although Hawaii is a beautiful and wonderful place in which to live, work, and learn, an education that encompasses international viewpoints and experiences provides an enriched educational experience that distinguishes future leaders and will define the economic, socioeconomic, and political future of Hawaii.

Your Committee further finds that Hawaii in its unique position as the gateway to the East and the hub of the Pacific Rim countries should be truly an international and diverse paradise of the Pacific and should be playing a pivotal role as a transportation, communications, and economic development, international business, banking center of the Pacific.

Our local institutions must promote an education that provides for skills, knowledge, and opportunities for local students to study abroad and acquire linguistic and intercultural skills to interact with individuals from and in a multitude of different nations and cultures.

This measure signifies the Legislature's support for international education for local students to provide for increased awareness and education to understand and address the current and future problems of Hawaii and throughout the world.

As affirmed by the record of votes of the members of your Committee on International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 173 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram, Rhoads, Shimabukuro and Takai.

**SCRep. 2132 Legislative Management on S.C.R. No. 75**

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise analysis of the regulation of destination clubs and those that market them.

Your Committee received testimonies in support of this concurrent resolution from the Department of Commerce and Consumer Affairs, (DCCA) and the Destination Club Association, (DCA).

Destination clubs have become a growing part of the travel and tourism industry of Hawaii. DCCA convened a working group that included representatives of DCA and timeshare industries, to discuss the creation of a regulatory framework for destination clubs. Further, during the 2007 Regular Session, S.B. No. 697 proposed to regulate destination clubs and those who market them.

This measure requests the Auditor to conduct a sunrise review in compliance with section 26H-6, Hawaii Revised Statutes, to determine whether regulation of destination clubs and those who market them is necessary,

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 75, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 2133 Legislative Management on H.R. No. 259**

The purpose of this resolution is to encourage the use of smart growth principles in land development by requesting:

- (1) The Speaker of the House of Representatives to create a task force to consider the incorporation of principles of smart growth in land use and development decision-making; and
- (2) The task force to develop legislation for improved land use, more open spaces, compact urban areas, more affordable housing, decreased infrastructure costs, and other ideas along the lines of smart growth principles.

The Hawaii Community Development Authority testified in support of this resolution with amendments. Hawaii Association of Realtors provided comments on 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 concurs with the intent and purpose of H.R. No. 259 and recommends its adoption.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 2134 Health/Education on S.C.R. No. 17**

The purpose of this Senate Concurrent Resolution is to consider the needs of preschool age children with developmental disabilities by urging the Department of Education to study the educational implications of the special needs of preschool age children with developmental disabilities.

Several concerned individuals supported this concurrent resolution. The State Council on Developmental Disabilities supported the intent of this measure. The Department of Education is in opposition to this concurrent resolution.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 17 and recommend its adoption.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki, Takamine, Tokioka, Wakai, Ching and Ward.

**SCRep. 2135 Finance on S.B. No. 1210**

The purpose of this bill is to support the development of housing for senior citizens by:

- (1) Increasing the special purpose revenue bond (SPRB) authorization for Honolulu Neighborhood Housing Services, Inc., from \$80,000,000 to \$160,000,000 for planning, designing, and constructing a senior citizen lifecare retirement community; and

- (2) Extending the lapse date for the issuance of the SPRBs to June 30, 2011.

GMR LLC, supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1210, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chong, Hanohano, Magaoay and Manahan.

**SCRep. 2136 Legislative Management/Judiciary on H.R. No. 176**

The purpose of this resolution is to strengthen public confidence in state government by requesting the State Ethics Commission to conduct a study to ascertain measures that may be enacted to address possible conflicts of interests of members of the House of Representatives.

The Speaker of the House of Representatives, the State Representative from the 17<sup>th</sup> District, the State Ethics Commission, The League of Women Voters of Hawaii, Hawaii Employers' Mutual Insurance Company, Inc., and several concerned individuals testified in support of this resolution.

Upon further consideration, your Committees have amended this measure by deleting its substance and inserting provisions similar to H.B. No. 1909, H.D. 1, which passed Third Reading in the House on March 6, 2007. As amended, this resolution requests the Speaker to establish a bipartisan interim task force to evaluate:

- (1) The rules of other legislative bodies to determine provisions that may be considered for adoption by the House;
- (2) The need to amend the House's Code of Legislative Conduct;
- (3) The feasibility of establishing a Standards of Conduct Committee, including its powers, scope of duties, and composition;
- (4) Whether the Committee should render advisory opinions and recommend disciplinary action; and
- (5) Additional measures that should be enacted to address possible conflict of interests.

This resolution has been further amended by changing its title to: "HOUSE RESOLUTION ESTABLISHING AN INTERIM HOUSE TASK FORCE TO EVALUATE THE PROPRIETY, MERITS, AND, IF FOUND, POSSIBLE PROCEDURES FOR A STANDARDS OF CONDUCT COMMITTEE TO HANDLE POTENTIAL CONFLICTS OF INTERESTS AND OTHER BREACHES OF THE STANDARDS OF CONDUCT BY MEMBERS OF THE HOUSE OF REPRESENTATIVES."

As affirmed by the records of votes of the members of your Committees on Legislative Management and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 176, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 176, H.D. 1.

Signed by all members of the Committee except Representatives Green, Luke, Morita, Yamane, Yamashita and Marumoto.

**SCRep. 2137 Legislative Management on H.R. No. 153**

The purpose of this resolution is to address traffic concerns on Oahu's North Shore by requesting the House and Senate transportation committees to convene a joint hearing to consider the likely traffic impacts from the proposed expansion of Turtle Bay Resort and measures to mitigate these traffic problems.

Keep the North Shore Country and numerous concerned individuals testified in support of this resolution with amendments. Kuilima Resort Company opposed this measure. One concerned individual offered comments.

Your Committee has amended this resolution by:

- (1) Deleting references that request the involvement of the Senate;
- (2) Changing the title to read: "REQUESTING THE HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION TO CONVENE A HEARING WITH THE PARTICIPATION OF THE DEPARTMENT OF TRANSPORTATION AND THE DEPARTMENT OF PLANNING AND PERMITTING OF THE CITY AND COUNTY OF HONOLULU TO CONSIDER THE LIKELY IMPACTS ON TRAFFIC BY THE PROPOSED TURTLE BAY RESORT EXPANSION AND MITIGATIVE MEASURES THAT MAY BE REQUIRED BY THE EXPANSION"; and
- (3) Making technical, nonsubstantive amendments for style and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 153, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 153, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

**SCRep. 2138 Legislative Management on S.C.R. No. 160**

The purpose of this concurrent resolution is to request the Auditor to perform a sunrise review of the regulation of entities governed by chapters 514A and 514B, Hawaii Revised Statutes, relating to condominiums, for the purpose of creating a condominium commission.

The Hawaii Independent Condominium and Cooperative Owners, Hawaii Council of Associations of Apartment Owners, and several concerned individuals provided testimonies of support of this measure. The Real Estate Commission offered comments.

Although, the enforcement of the laws, rules, and policies governing the rights and responsibilities of persons owning and residing in condominiums is the responsibility of the Real Estate Commission, persons owning and residing in condominiums should have a governing body that is exclusively responsible for the governance of condominium laws, rules, and policies.

Section 26H-6, Hawaii Revised Statutes, requires that "[n]ew regulatory measures being considered for enactment that, if enacted, would subject unregulated professions and vocations to licensing or other regulatory controls shall be referred to the auditor for analysis" prior to the adoption of the new regulatory measures. Accordingly, this concurrent resolution requests that the Auditor undertake the required analysis.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative B. Oshiro.

**SCRep. 2139 Finance on S.C.R. No. 91**

The purpose of this concurrent resolution is to request the Commission on the Status of Women to convene a network of organizations to support and develop local and international organizations addressing domestic violence and sex assault issues.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Har, Magaoay, Mizuno, Tokioka, Awana and Meyer.

**SCRep. 2140 Finance on S.C.R. No. 137**

The purpose of this concurrent resolution is to request the University of Hawaii to develop a comprehensive long-term financial plan.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Har, Magaoay, Mizuno, Tokioka, Awana and Meyer.

**SCRep. 2141 Finance on S.C.R. No. 178**

The purpose of this concurrent resolution is to request the Auditor to conduct a comprehensive study on the results and impact of Act 245, Session Laws of Hawaii 2005.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 178 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Har, Magaoay, Mizuno, Tokioka, Awana and Meyer.

**SCRep. 2142 Finance on S.C.R. No. 197**

The purpose of this concurrent resolution is to encourage the counties of Hawaii to form partnerships with the State and private sector to cover healthcare infrastructure and overhead costs for primary care and specialty physicians in Hawaii's rural, underserved areas.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 197 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Har, Magaoay, Mizuno, Tokioka, Awana and Meyer.

**SCRep. 2143 Finance on S.C.R. No. 213**

The purpose of this concurrent resolution is to request the Governor to establish a program to provide coverage of cancer screening for women fifty to sixty-four years of age who are low-income or have no or insufficient health insurance.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 213 and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Har, Magaoay, Mizuno, Tokioka, Awana and Meyer.

**SCRep. 2144 Finance on S.C.R. No. 220**

The purpose of this concurrent resolution is to request the Department of Human Services to conduct a statewide needs assessment of non-citizen victims of human trafficking.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 220, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Carroll, Har, Magaoay, Mizuno, Tokioka, Awana and Meyer.

**SCRep. 2145 Water, Land, Ocean Resources & Hawaiian Affairs on S.C.R. No. 24**

The purpose of this measure is to grant prior authorization by concurrent resolution of the legislature of a lease to submerged lands beneath the tidal waters at Lahaina, Maui, Hawaii, to Atlantis Submarines Hawaii, LLC.

Your Committee has received comments in support of this measure from the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24, S.D. 1, and recommends its adoption.

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

**SCRep. 2146 Water, Land, Ocean Resources & Hawaiian Affairs on S.C.R. No. 25**

The purpose of this measure is to grant prior authorization by concurrent resolution of the legislature of a lease to submerged lands beneath the tidal water of the State to KBH, Inc., at Kahaluu, North Kona, Hawaii.

Your Committee has received comments in support of this measure from the Department of Land and Natural Resources and a concerned individual.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25, S.D. 1, and recommends its adoption.

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