

SCRep. 1-08 Health on H.B. No. 2023

The purpose of this bill is to improve and expand treatment options for people addicted to crystal methamphetamine, commonly known as "ice", by establishing a crystal methamphetamine treatment pilot study at the Hina Mauka treatment and rehabilitation facility in consultation with the University of Hawaii John A. Burns School of Medicine (JABSOM) to examine the effectiveness of the drug Vivitrol as a treatment option for "ice" addiction.

Hina Mauka supported this bill.

Your Committee finds that recent events, including the murder of a one-year old toddler by a person reported to be allegedly high on "ice" have provided strong evidence of the horrible effects this drug is having on our society. Every effort must be made to combat this epidemic in drug abuse and the violence it elicits. A two-year pilot program in a controlled environment such as Hina Mauka in cooperation with JABSOM to design and prepare medical policies and procedures to form an effective treatment strategy using the drug Vivitrol is one step the Legislature can take in fighting "ice" and helping the people addicted to it.

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. 2023 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. 2-08 Finance on H.B. No. 2688

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 representative from the 24th District, Auditor, Ethics Commission, LRB, and Ombudsman testified in support of this bill.

Your Committee has amended this bill by including an appropriation of \$300,000 for LRB to contract with the University of Hawaii to conduct a study of the State's environmental review process.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2688, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 3-08 Transportation on H.B. No. 2034

The purpose of this bill is to protect the safety and welfare of children by:

- (1) Making it a violation of the Statewide Traffic Code for the vehicle operator or an adult passenger to leave a child under the age of nine, unattended in a vehicle for five or more minutes;
- (2) Allowing law enforcement, firefighter, or rescue team personnel to use whatever means reasonably necessary to protect the unattended child or others and to remove the unattended child from the motor vehicle, if they determine that the child is in physical danger or poses a danger to others;
- (3) Requiring law enforcement, firefighter, or rescue team personnel to immediately report the matter to a police officer if the person having care or custody of the unattended child cannot be located within a reasonable time;
- (4) Allowing the police officer to whom the matter is reported to assume protective custody of the child without a court order or consent of the child's family;
- (5) Including testing of an applicant's knowledge of this new violation on the driver's licensing examination; and
- (6) Requiring rental car companies to post notice of this new law in their rental vehicles.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and several concerned individuals testified in support of this bill. The Department of Human Services and Kokua Council supported the intent of this measure.

Each year, a significant number of children are left unattended in vehicles. Although many of these cases occur within the continental United States, Hawaii has had its share of cases in which children have been left alone in a vehicle for prolonged periods of time. Unfortunately, the consequences of such action can be devastating. A 2003 Centers for Disease Control and Prevention study reported that during July 2000 to June 2001, an estimated 9,160 nonfatal injuries and 78 fatal injuries occurred when children under the age of 15 were left unattended in or around motor vehicles that were not in traffic. More recently, media reports have noted that 35 children in Hawaii died in 2007 from being left alone in a car. Your Committee finds this to be unacceptable and that the children of Hawaii must be protected from these senseless and preventable acts.

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. 2034 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, Sonson and Meyer.

SCRep. 4-08 Health on H.B. No. 2016

The purpose of this bill is to ensure that the most effective treatment options are available for people afflicted with cancer by requiring health insurance plans to include methods of oral chemotherapy treatment as a medical benefit and not as a drug benefit.

The Hawaii Medical Association supported the intent of this bill. The Hawaii Association of Health Plans opposed this measure. The Hawaii Medical Service Association and American Family Life Assurance Company of Columbus submitted comments.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2016, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 5-08 Health on H.B. No. 2119

The purpose of this bill is to prohibit health insurers from denying coverage for organ tissue transplantation services to an insured subscriber on the basis that the subscriber is infected with the human immunodeficiency virus.

The Gay and Lesbian Education and Advocacy Foundation and a concerned individual supported this bill. The Hawaii Association of Health Plans opposed this measure. The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association submitted comments.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2119, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 6-08 Health on H.B. No. 1993

The purpose of this bill is to ensure continuous, cost-effective care for Hawaii residents who are uninsured by appropriating funds to provide direct health care to the uninsured, including primary medical, dental, and behavioral health care through our community health centers.

The Healthcare Association of Hawaii, Hawaii Primary Care Association, Consumer Lawyers of Hawaii, NAMI Hawaii, Ho'ola Lahui Hawaii, Waimanalo Health Center, Waikiki Health Center, ILWU Local 142, Hawaii Chapter of the American Physical Therapy Association, Waianae Coast Comprehensive Health Center, and several concerned individuals supported this bill. The Department of Health supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1993 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. 7-08 Higher Education on H.B. No. 2116

The purpose of this bill is to allow the University of Hawaii (UH) Center on Aging Research and Education (Center) to carry out its mission to assure the well-being of Hawaii's elder population by appropriating funds to the Center to establish up to four faculty positions and for program expenses to develop methods to provide gerontological and aging education, curriculum and teaching development and coordination, outreach and community services, and student aid.

The Policy Advisory Board for Elder Affairs 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 appropriation amount to \$1 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2116, H.D. 1, and be referred to the Committees on Health and Human Services & Housing.

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

SCRep. 8-08 Higher Education on H.B. No. 2163

The purpose of this bill is to provide for more efficient financial operations at the University of Hawaii (UH) by limiting UH's duty to preaudit all proposed payments to those that amount to \$10,000 or more.

UH testified in support of this bill. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by changing the effective date to July 1, 2050, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2163, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Wakai and Finnegan.

SCRep. 9-08 Human Services & Housing on H.B. No. 2043

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, 2008, and who are already attending or have been accepted to attend a higher education institution, the opportunity to apply for a higher education board allowance within a year;
- (3) Extending the maximum benefit length to 66 months following entry into an accredited institution of higher education; and
- (4) Appropriating funds to provide higher education board allowances for eligible former foster youth.

The Hawaii Family Forum, Legal Aid Society of Hawaii, Hawaii Family Support Institute, Hawaii Foster Youth Coalition, Hawaii Foster Parent Association, and several concerned individuals testified in support of this bill. The Department of Human Services and Office of Hawaiian Affairs supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Increasing the age of eligibility for higher education board allowances from 21 to 26 years;
- (2) Changing the length of the benefit to 60 cumulative months;
- (3) Removing the appropriation sections; 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. 2043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2043, H.D. 1, and be referred to the Committee on Higher Education.

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

SCRep. 10-08 Human Services & Housing on H.B. No. 2037

The purpose of this bill is to further protect children involved in Family Court proceedings by:

- (1) Requiring the Board of Family Court Judges to establish policies and procedures for child custody evaluators and administer certification procedures; and
- (2) Establishing licensing requirements and minimal education and experience requirements, and requiring continuing training for child custody evaluators.

The Hawaii State Coalition Against Domestic Violence, Oahu VOICES, and a concerned individual testified in support of this bill. The National Association of Social Workers, Hawaii Chapter supported this measure with amendments. The Judiciary, Board of Medical Examiners, and Domestic Violence Action Center provided comments.

Your Committee has amended this bill by:

- (1) Replacing the Board of Family Court Judges with the Department of Commerce and Consumer Affairs as the administering and oversight entity;
- (2) Clarifying the term "psychiatrist" as a "physician specializing in psychiatry";
- (3) Clarifying that a department director may also implement disciplinary action for unprofessional conduct of a child custody evaluator; 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. 2037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2037, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 11-08 Human Services & Housing on H.B. No. 2198

The purpose of this bill is to address the needs of Hawaii's population of grandparents raising grandchildren by establishing a task force to:

- (1) Review recent studies, testimony submitted to the Joint Legislative Committee on Family Caregiving, and other documents and data related to grandparents raising grandchildren; and
- (2) Submit a report to the Legislature no later than 20 days prior to the Regular Session of 2009.

The Executive Office on Aging, Office of Hawaiian Affairs, Maui County Executive on Aging, and Hawaii Aging Advocates Coalition 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) Adding to the task force representatives from other agencies that work closely with kupuna or grandparents; and
- (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. 2198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2198, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 12-08 Higher Education on H.B. No. 2133

The purpose of this bill is to address the shortage of nursing teachers in the state by establishing the Nursing Teacher Loan Forgiveness Pilot Program (Program) to provide a financial incentive for more students to study to become nursing educators. This bill also creates the Nursing Teacher Loan Forgiveness Special Fund (Special Fund) to collect all moneys received in conjunction with the administration of the Program.

The Healthcare Association of Hawaii and Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO testified in support of this bill. The Department of Budget and Finance opposed this measure. The University of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 2133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2133, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee except Representatives Saiki, Wakai and Finnegan.

SCRep. 13-08 Health/Human Services & Housing on H.B. No. 2196

The purpose of this bill is to support the work of the Joint Legislative Committee on Family Caregiving (JLCFC) to ensure the necessary community resources for caregivers by:

- (1) Extending the term of JLCFC to June 30, 2009, to allow it more time to complete its mission;
- (2) Changing JLCFC's name to the Joint Legislative Committee on Aging in Place (JLCAP);
- (3) Expanding JLCAP's mandate to include aging in place issues related to family caregiving;
- (4) Requiring Hawaii's Aging and Disability Resource Center to report to the JLCAP on implementation of its physical site in Hawaii County and its virtual site in the City and County of Honolulu;
- (5) Requiring JLCAP to conduct a cash and counseling project for non-Medicaid eligible elders;
- (6) Appropriating funds to JLCAP;
- (7) Allowing the Executive Office on Aging's Kupuna Care Program to include overnight, weekend, and emergency respite services, as well as provide grants to caregivers and for home modification; and
- (8) Increasing the operating budget of the Executive Office on Aging to increase program funding for the Kupuna Care Program.

The City and County of Honolulu Elderly Affairs Division, ILWU Local 142, Catholic Charities Hawaii, Hana Health, Hawaii Alliance for Retired Americans, Kokua Council, National Multiple Sclerosis - Society All American Chapter – Hawaii Division, Hawaii Aging Advocates Coalition, AARP Hawaii, and several concerned individuals supported this bill. The Executive Office on Aging supported the intent of this measure. The Attorney General and the National Federation of Independent Business submitted comments.

Your Committees find that there should be more input from persons representing disabled people in the community as JLCAP continues to look further into the needs of caregivers.

Your Committees also acknowledge the concerns of the Attorney General (AG) regarding JLCAP conducting a cash and counseling project and the AG's suggestion that a state agency may be a more suitable choice for this responsibility.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2196, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2196, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 14-08 Health on H.B. No. 2137

The purpose of this bill is to assist organ donors with the financial burden they may encounter in the process of organ donation by providing a one-time tax credit of up to \$1,000 to help cover expenses related to organ donation.

The Hawaii Coalition on Donation and Organ Donor Center of Hawaii supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that a person who donates an organ should not be encumbered with the financial burden brought about by their exceptional generosity and kindness. Providing this tax credit to the very limited amount of qualified recipients will cost the State very little but will be of great value to the person who receives the organ.

Your Committee has amended this bill by:

- (1) Providing that the tax credit will be available on a first-come, first-served basis; 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. 2137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2137, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 15-08 Higher Education on H.B. No. 2084

The purpose of this bill is to enhance technology growth and development as well as workforce development in Hawaii by appropriating funds to the College of Engineering at the University of Hawaii at Manoa for two full-time equivalent positions for an associate dean for research and a director of professional development and distance learning.

UH testified in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1 to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 2084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2084, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Wakai and Finnegan.

SCRep. 16-08 Consumer Protection & Commerce on H.B. No. 2254

The purpose of this bill is to promote fair marketing practices by prohibiting and establishing civil penalties for the deceptive use of the name or trademark of a financial institution, or its affiliates or subsidiaries, in marketing materials and solicitations directed at existing or prospective customers.

The Department of Commerce and Consumer Affairs, Hawaii Financial Services Association, Hawaii Bankers Association, and Mortgage Bankers Association of Hawaii testified in support of this bill.

Your Committee has amended this bill by changing the title of the new statutory section added by this measure, from "Bank name fraud" to "Financial institution name fraud". This amendment clarifies that the scope of the new section includes financial institutions other than banks.

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. 2254, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2254, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 17-08 Health on H.B. No. 2366

The purpose of this bill is to improve access to critical information regarding the availability of organ donations by directing the Department of Health to establish a statewide organ donor registry in coordination with the Department of Transportation, county motor vehicle agencies, and various other stakeholders.

The Filipino Coalition for Solidarity, National Kidney Foundation of Hawaii, National Federation of Filipino Associations Region XII, Nursing Advocates and Mentors, Inc., Organ Donor Center of Hawaii, Philippine Nurses Association - Hawaii, United Filipino Council of Hawaii, and several concerned individuals 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 H.B. No. 2366 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. 18-08 Health on H.B. No. 2059

The purpose of this bill is to prohibit the sale of cigarettes in Hawaii that are not reduced ignition propensity, or "fire-safe" cigarettes, beginning on July 1, 2009.

Specifically, this bill:

- (1) Requires that cigarettes sold in Hawaii must be certified by the Attorney General to have been tested to certain performance standards involving full-length burns, paper, permeability bands, and other specifications;
- (2) Allows a cigarette manufacturer to propose to the Attorney General an alternative test method;
- (3) Requires cigarette manufacturers to retain test data for three years and provide the data to the Attorney General upon request;
- (4) Requires a cigarette manufacturer to submit to the Attorney General written certification of successful testing listing a description of each brand and style of cigarette to include a specific list of items;
- (5) Requires each brand and style of cigarette to be recertified every three years;

- (6) Requires certified cigarettes to be marked in a certain manner and accepts markings approved in New York, California, or Vermont;
- (7) Requires a cigarette manufacturer to use only one unmodified marking on all brands and applied uniformly on all packages;
- (8) Requires a cigarette manufacturer to provide a copy of certification to all cigarette wholesalers;
- (9) Authorizes the Attorney General to adopt rules regarding the testing, certification, marking of cigarettes and random inspections of wholesalers and dealers and implementing the substance of the New York fire safety standards for cigarettes;
- (10) Sets civil penalties applicable to manufacturers, wholesalers, retailers, dealers, and other persons;
- (11) Authorizes the Attorney General to file an action for violation of the new law as if the action were a deceptive business practice;
- (12) Grants jurisdiction for enforcement to the Attorney General;
- (13) Exempts from the new law persons who sell cigarettes stamped for sale in another state or to be sold outside the United States;
- (14) Allows wholesalers and dealers to sell existing cigarette inventories on or after July 1, 2009, if Hawaii tax stamps were affixed to them prior to July 1, 2009, and the inventory was purchased prior to July 1, 2009, and the purchased inventory is comparable to the amount of inventory purchased during the same period the previous year; and
- (15) Takes effect on July 1, 2009.

Your Committee received testimony in support of this bill from the Coalition for a Tobacco-Free Hawaii and the Hawaii Fire Fighters Association. Testimony in opposition was received from the Attorney General. The Retail Merchants of Hawaii offered comments.

Upon further consideration, your Committee has amended this bill by replacing its entire contents with language contained in a draft of a similar bill that was distributed at your Committee's hearing. The effects of this replacement are as follows:

- (1) Section 1 of the bill presenting the background and purpose is deleted;
- (2) Presents differing definitions of "cigarette" and "manufacturer";
- (3) Grants all duties, functions, and responsibilities under the bill, including adoption of rules and enforcement, to the State Fire Council rather than the Attorney General;
- (4) Adds a provision that written certifications of cigarette testing be based on testing conducted by a laboratory possessing certain accreditation;
- (5) Adds a provision that the State Fire Council may authorize a cigarette manufacturer to use an alternative test method that has the same performance standard and has been approved in another state;
- (6) Adds a civil penalty of \$10,000 for each day against a manufacturer who fails to provide copies of test reports within sixty days of a request;
- (7) Adds a provision that additional testing is not required if cigarettes are tested for any other purpose consistent with requirements under the bill;
- (8) Requires that testing to determine compliance with performance standards shall be conducted according to the requirements under the bill;
- (9) Requires the State Fire Council to review effectiveness of testing every three years and report to the Legislature by June 30;
- (10) Adds to the description listed on each certification the following:
 - (A) Trade name on the package;
 - (B) Light or ultra light, to clarify style;
 - (C) Menthol or chocolate, to clarify flavor;
 - (D) The name, address, and telephone number of the laboratory, if different from that conducting the test; and
 - (E) Date of the test;
- (11) Changes recertification provision to require recertification of each cigarette every three years;

- (12) Adds a certification fee of \$250 for each cigarette to be paid by the manufacturer to the State Fire Council, which may adjust the fee;
- (13) Adds a provision that the certifications are to be made available to the Attorney General;
- (14) Adds a provision that the State Fire Council shall approve the letters "FSC" as part of a marking on cigarettes;
- (15) Adds a provision that the State Fire Council is to be notified as to the marking selected;
- (16) Allows the State Fire Council, in addition to the Attorney General, to inspect cigarette markings at any time;
- (17) Authorizes the State Fire Council, rather than the Attorney General, to adopt rules to implement the law;
- (18) Deletes adoption of rules to conduct random inspections of wholesalers and dealers to ensure compliance;
- (19) Authorizes the State Fire Council or other law enforcement personnel, in addition to the Attorney General, to examine books, paper, records, etc.;
- (20) Changes civil penalties as follows:
 - (A) For selling non-tested and certified cigarettes in the State, adds a fine of \$100 for each pack, up to \$100,000 during any thirty-day period, rather than an amount not to exceed \$10,000 for each sale;
 - (B) For false certification, adds a fine of at least \$75,000 but not to exceed \$250,000, rather than an amount not to exceed \$10,000;
 - (C) Against dealers for selling non-tested and certified cigarettes, adds a fine of \$100 for each pack, up to \$25,000 during any thirty-day period, rather than an amount not to exceed \$500 for each sale of one thousand or fewer cigarettes;
 - (D) Deletes civil fine against dealers of an amount not to exceed \$1,000 for each sale of more than one thousand cigarettes;
 - (E) Adds a fine not to exceed \$5,000 against any other person violating the law for a subsequent offense;
- (21) Adds a provision that all non-compliant cigarettes be forfeited to the Attorney General to be destroyed; provided that the true holder of the trademark rights shall be permitted to inspect the cigarettes;
- (22) Deletes the provision that the Attorney General, in any action filed for violation of the law, shall have the same authority to investigate and obtain remedies as if the action brought was a deceptive business practice;
- (23) Deletes the provision that grants enforcement to the Attorney General, who may apply for a temporary or permanent injunction restraining a violation of the law;
- (24) Adds a provision that allows wholesalers or dealers to sell cigarettes solely for consumer testing;
- (25) Adds a provision that the Act is to be repealed if a federal reduced cigarette ignition propensity standard that preempts the Act is adopted and becomes effective;
- (26) Adds a provision to prohibit counties from enacting or enforcing any ordinance conflicting with or preempted by the Act or with any state policy; and
- (27) Changes the effective date of the Act from July 1, 2009, to "on the first day of the thirteenth month after enactment"; provided that the provision prohibiting the counties from enacting any conflicting ordinance takes effect upon approval.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2059, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 19-08 Human Services & Housing on H.B. No. 2140

The purpose of this bill is to assist undocumented immigrants who are victims of domestic violence or sexual assault by requiring the Department of Human Services (DHS) to establish a two-year pilot project to provide a variety of legal advice and social services to these victims.

Oahu VOICES testified in support of this bill. Na Loio supported the intent of this measure. DHS, Domestic Violence Action Center, and Hawaii Centers for Independent Living provided comments.

Your Committee has amended this bill by:

- (1) Requiring the pilot project to help victims achieve federal Violence Against Women Act status;
- (2) Requiring the pilot project to provide other services, including:
 - (A) Legal assistance with family law issues such as divorce, child custody and support, and housing and consumer issues; and
 - (B) Programs that assist victims who lack English language skills, case management services such as information and assistance with using public transportation, and obtaining identification;
 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. 2140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2140, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 20-08 Human Services & Housing on H.B. No. 2184

The purpose of this bill is to require the Department of Business, Economic Development, and Tourism (DBEDT) to establish and keep current a self-sufficiency standard reflecting the minimum income required to meet basic needs in Hawaii, and appropriate funds for an additional position for DBEDT for this purpose.

The Hawaii Chapter of the National Association of Social Workers, Hawaii Women Work!, Legal Aid Society of Hawaii, and Hawaii Alliance for Community-Based Economic Development testified in support of this bill. DBEDT supported the intent of this measure. The Department of Human Services provided comments.

Your Committee notes that DBEDT's testimony indicated that it currently is sufficiently staffed, but would appreciate using the funds appropriated in this measure to ensure a comprehensive study on the self-sufficiency standard. The testimony indicates that \$30,000 to \$50,000 would be necessary for the study.

Your Committee has amended this bill by:

- (1) Clarifying and expanding items that should be considered in calculating the self-sufficiency standard;
- (2) Requiring biannual updates of the self-sufficiency standard;
- (3) Specifying that the standard should incorporate existing methods of calculation;
- (4) Replacing provisions that DBEDT consider the use of Temporary Assistance for Needy Families and Workforce Investment Act funds, with the requirement that DBEDT recommend the procurement or use of federal funds whenever appropriate in establishing and updating the self-sufficiency standard;
- (5) Changing the appropriation to be used for a study instead of a position for DBEDT; 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. 2184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2184, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 21-08 Human Services & Housing on H.B. No. 2136

The purpose of this bill is to provide increases in supplemental payments for care home recipients eligible for Federal Supplementary Security Income or public assistance as follows:

- (1) From \$641.90 to \$686.83 for adult residential care homes classified as facility type I, licensed development domiciliary homes, community care foster family homes, and certified adult foster homes; and
- (2) From \$749.90 to \$802.39 for adult residential care homes classified as facility type II.

The State Council on Developmental Disabilities, Arc in Hawaii, Big Island ARCH, Hawaii Coalition of Caregivers, Kauai Care Home Operators, Big Island Adult Foster Home Association, and many concerned individuals testified in support of this bill. The Department of Human Services (DHS) provided comments.

Your Committee recognizes the concerns of caregivers who have faced increased costs over the years, without a concomitant increase in revenue. Caregivers have received only three increases over the past 11 years, totaling a maximum of \$170. Up until 2006, there was no increase in nine years. DHS noted that the increase proposed by this bill would cost approximately \$1,304,818.80 for fiscal year 2009.

However, many of the testifiers stated that it costs the State approximately \$90,000,000 per year to provide bed space for the elderly and disabled. Care homes can help to alleviate this financial cost to the State, and adequately funding supplemental payments could result in cost savings in other areas.

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. 2136 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 and Bertram.

SCRep. 22-08 Human Services & Housing on H.B. No. 2194

The purpose of this bill is to promote the role of fathers in the lives of their children by appropriating funds for the State Commission on Fatherhood to hire an executive director and staff, establish an office, and pay the travel expenses of neighbor island commissioners.

Several concerned individuals testified in support of this bill. The Department of Human Services supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2194 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 and Bertram.

SCRep. 23-08 Labor & Public Employment on H.B. No. 1969

The purpose of this bill is to extend the exemption from workers' compensation insurance to services performed by:

- (1) A partner of a partnership;
- (2) A sole proprietor for the sole proprietorship; and
- (3) Employers owning 50 percent or more of a Limited Liability Company (LLC) or Limited Liability Partnership (LLP).

The Department of Labor and Industrial Relations (DLIR), The National Federation of Independent Business, Hawaii Business League, Chamber of Commerce of Hawaii, Hawaii Independent Insurance Agents Association, and several concerned individuals testified in support of this measure. The ILWU, Local 142 testified in opposition to this bill.

Workers' compensation provides medical insurance and wage loss coverage for work-related injuries of employees while protecting employers from civil liability resulting from these injuries. Current Hawaii law requires employers to maintain workers' compensation insurance for the benefit of their employees, even in cases of a partner of a partnership, or an LLC or LLP, where the only employees are the owners of or partners in the company. Since an owner or partner would have nothing to gain from suing themselves for workers' compensation, it would appear that this type of "employment" could be exempted from the workers' compensation insurance requirement.

However, your Committee recognizes that providing this exemption may adversely affect the balance of funds held by DLIR to pay for workers' compensation benefits. As noted by DLIR, there are approximately 40,000 LLCs and LLPs currently operating in Hawaii. Although it is unknown how many of these entities would qualify for this exemption, any significant amount could have adverse financial impacts on the fund.

Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2009, to facilitate further discussion. Other technical, nonsubstantive amendments were made for purposes of 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. 1969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1969, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Luke.

SCRep. 24-08 Consumer Protection & Commerce on H.B. No. 94

The purpose of this bill is to effectuate its title.

H.B. No. 94 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. 94, 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. 94, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Morita, Souki, Marumoto and Thielen.

SCRep. 25-08 Consumer Protection & Commerce on H.B. No. 96

The purpose of this bill is to effectuate its title.

H.B. No. 96 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. 96, 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. 96, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Morita, Souki, Marumoto and Thielen.

SCRep. 26-08 Energy & Environmental Protection on H.B. No. 2003

The purpose of the bill is to appropriate funds for the Hawaii energy policy forum to continue its work in fiscal year 2008-2009.

Your Committee notes that the Hawaii Energy Policy Forum has estimated that funding in the amount of \$185,000 would enable the forum to begin implementation of action plans laid out in the Forum's ten point plan and to develop and test benchmarks.

Testimony in support of this bill was received from the Department of Business, Economic Development, and Tourism, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the Hawaii County Council, the Hawaii Energy Policy Forum, the Hawaiian Electric Company, Inc., the Hawaii Solar Energy Association, and the Hawaii Renewable Energy Alliance.

Your Committee supports the ten point plan outlined by the Hawaii Energy Policy Forum to help keep the State on the path to a sustainable, renewable, and affordable energy future. The continuing efforts of the Forum are essential for achieving a strong and secure energy future.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2003 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 27-08 Energy & Environmental Protection on H.B. No. 2005

The purpose of this measure is to update and expand the renewable energy technologies tax credit to include solar electric energy systems.

Your Committee received testimony in support of the measure from the Department of Business, Economic Development, and Tourism, the Division of Consumer Advocacy, the Hawaii County Council, the Hawaii Energy Policy Forum, the Hawaii Renewable Energy Alliance, Sopogy, Inc., and the Hawaii Solar Energy Association.

Your Committee also received comments on the measure from the Department of Taxation, the Tax Foundation of Hawaii, and a concerned individual.

Your Committee finds that solar electric energy can be produced from a broader range of technologies than just the photovoltaic process. This measure expands the renewable energy technologies tax credit to include all technologies that can produce solar electric energy to allow consumers to utilize the latest renewable energy technologies, lower their energy costs, and to reduce the State's fossil fuel consumption.

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. 2005 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. 28-08 Health on H.B. No. 2151

The purpose of this bill is to help alleviate the shortage of medical doctors and increase access to healthcare by forming a captive insurance company to provide affordable medical malpractice insurance to self-employed medical doctors.

The Hawaii Association of Health Plans supported this bill. The Department of Commerce and Consumer Affairs and Consumer Lawyers of Hawaii supported the intent of this measure. The Hawaii Insurers Council, Hawaii Chapter of the American Academy of Pediatrics, and several concerned individuals opposed this bill. The Office of the Governor submitted comments.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2151, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Shimabukuro. (Representative Ward voted no.)

SCRep. 29-08 Health on H.B. No. 1992

The purpose of this bill is to attract more physicians to serve in Hawaii's rural and medically underserved areas by limiting the amount of noneconomic damages that may be collected in a medical malpractice lawsuit in an attempt to stabilize and lower the rates of professional liability insurance.

The Hawaii Health Systems Corporation, Department of the Attorney General, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Association of Health Plans, Hawaii Psychiatric Medical Association, National Federation of Independent Businesses, American College of Obstetricians and Gynecologists – Hawaii Section, American Academy of Pediatrics – Hawaii Chapter, and numerous concerned individuals supported this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. The Consumer Lawyers of Hawaii opposed this bill. The Office of the Governor submitted comments.

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

- (1) Limiting noneconomic damages to \$250,000;
- (2) Increasing the cap on noneconomic damages to \$3,000,000, upon the court's determination of catastrophic damages;
- (3) Deleting limitations on contingent attorney's fees in medical tort actions;
- (4) Authorizing the jury or judge to consider, in assessing any percentage of negligence or other fault, the negligence or other fault of all indicated parties;
- (5) Allowing a jury to render a verdict for the plaintiff in a medical tort action that includes economic damages;
- (6) Providing that the amount of economic damages allocated to a healthcare provider in a medical tort action shall be based upon the healthcare provider's proportionate percentage of negligence or other fault;
- (7) Limiting the definition of "health care provider" to encompass fewer professions in the health care field;
- (8) Repealing the Act on June 30, 2013; and
- (9) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1992, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro. (Representative Rhoads voted no.)

SCRep. 30-08 International Affairs on H.B. No. 2624

The purpose of this bill is to provide a tax credit to organizations that sponsor children to participate in international learning missions, up to a maximum of five children.

The Pacific and Asian Affairs Council testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the concept of this measure.

Your Committee has amended this bill by:

- (1) Changing references from "children" to "students";
- (2) Allowing corporations tax credits for sponsoring teachers, as well as students; 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. 2624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2624, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 31-08 International Affairs on H.B. No. 2032

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

The Invisible Children Hawaii Club testified in support of this bill.

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. 2032 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 Bertram, Rhoads, Shimabukuro and Tokioka.

SCRep. 32-08 Education on H.B. No. 2369

The purpose of this bill is to conform the After-School Plus Program (Program) Revolving Fund (Fund) to the criteria of a revolving fund as mandated by state statute. Specifically, this bill limits deposits into the Fund to fees and charges for participation in the Program and the interest earned on deposits or investments in the Fund.

The Department of Education 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. 2369 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 33-08 Energy & Environmental Protection on H.B. No. 2508

The purpose of the bill is to encourage recycling of beverage containers by increasing the opportunities and convenience for consumers who participate in the deposit beverage container program.

Specifically, the bill requires all retail beverage dealers having more than seventy-five thousand feet of interior retail space to operate beverage container redemption centers and to accept properly marked empty deposit beverage containers.

Testimony in support of this bill was received from the City and County of Honolulu Department of Environmental Services, a Councilmember of the Hawai'i County Council, and the Windward Ahupua'a Alliance. Testimony opposing this bill was received from the Hawaii Food Industry Association and the Retail Merchants of Hawaii. The Department of Health supported the intent of the bill.

Your Committee supports efforts to increase recycling and divert waste from landfill. The success of the deposit beverage container recycling program depends on establishing conveniently located redemption centers. While some financial costs are associated with this legislation, the preservation of our State's land and natural resources is priceless.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2508 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 Sagum.

SCRep. 34-08 Energy & Environmental Protection on H.B. No. 3151

The purpose of this measure is to allow certain environmental programs of the Department of Health to conduct business electronically and withhold funds to cover the cost of electronic or credit card provider services.

Your Committee received testimony supporting this measure from the Department of Health.

Your Committee finds that the Department of Health is developing an electronic permit and fee payment procedure to expedite and enhance the permit application process for certain environmental programs. To encourage the use of this electronic method, this measure allows the Department to deduct credit card fees to avoid adding a surcharge to permit applications. The new process will spare the Department from paying the processing and credit card fees from other program funds and ultimately result in more efficient use of Department resources.

Your Committee has amended the measure by:

- (1) Modifying the purpose section of the bill to more clearly reflect the bill's purpose; and
- (2) Making technical amendments that have no substantive effect.

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. 3151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3151, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Saiki.

SCRep. 35-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2145

The purpose of this bill is to allow claimants of unclaimed property held by the State to assert ownership through an affidavit if the claimant is unable to present documentation of ownership requested by the State.

The Department of Budget and Finance opposed this bill. A concerned individual offered comments.

Concerns were raised that by allowing individuals to assert ownership of unclaimed property solely on the basis of an affidavit, this bill may lead to possible abuses through the submission of false affidavits.

Accordingly, your Committees have amended this bill by:

- (1) Requiring the submitted affidavit to be:
 - (A) Notarized; and
 - (B) Signed under penalty of perjury;
- (2) Providing that property claimed solely through an affidavit may not have a value that exceeds an unspecified amount; 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 Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2145, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2145, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Ito, Luke and Sonson.

SCRep. 36-08 Tourism & Culture on H.B. No. 3325

The purpose of this bill is to streamline the regulation of time share plans by exempting registered time share plans from the provisions of the Uniform Land Sales Practices Act.

The Department of Commerce and Consumer Affairs, Marriott International, Inc., ARDA-Hawaii, and Wyndham Worldwide supported this bill.

Upon further consideration, your Committee has amended this measure by changing its effective date to July 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. 3325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3325, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 37-08 Human Services & Housing/Health on H.B. No. 2062

The purpose of this bill is to promote independence and choice for individuals eligible under Medicaid by allowing Medicaid funds to be transferred from a nursing facility or long-term care-based facility to home- or community-based long-term care, support, or services.

The Hawaii Disability Rights Center, ILWU Local 142, Hana Health, and Hawaii Centers for Independent Living testified in support of this bill. The Policy Advisory Board for Elder Affairs supported the intent of this measure. The Department of Human Services and Hawaii Coalition of Caregivers provided comments.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion; and

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

As affirmed by the records of votes of the members of your Committees on 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. 2062, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2062, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 38-08 Transportation on H.B. No. 2229

The purpose of this bill is to increase highway safety by:

- (1) Requiring moped drivers to use bicycle lanes on roadways with a speed limit greater than 35 miles per hour;
- (2) Allowing moped drivers to use bicycle lanes on roadways with a speed limit of 35 miles per hour or less; and
- (3) Prohibiting the operation of a moped at a speed greater than the posted speed limit for the roadway if the posted speed limit is less than 35 miles per hour.

The Department of Transportation testified in opposition to this bill.

Mopeds often travel at speeds slower than normal traffic, especially on highways where the speed limit may exceed 35 miles per hour. Requiring mopeds to travel in bike lanes on roads with a speed limit greater than 35 miles per hour and allowing mopeds to use bike lanes on other roadways will result in safer driving conditions for both cars and mopeds.

Prohibiting the operation of mopeds at speeds greater than the posted speed limit if it is less than 35 miles per hour will also promote traffic safety.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2229 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Sonson and Meyer.

SCRep. 39-08 Transportation on H.B. No. 2428

The purpose of this bill is to speed up project delivery and save time and money on state highway projects by exempting the acquisition of lands for state highway projects by the Department of Transportation (DOT) from the requirements of county subdivision regulations.

DOT testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu and the Chair of the Maui County Council testified in opposition to this measure.

The current highway project delivery process used by DOT is lengthy, involving long-range planning processes, prolonged environmental studies, public notice and input requirements, and legislative approvals for both the concept and budget of each project. In addition, the State Highways Division of DOT must also meet requirements of a county subdivision approval process including applications, fees, tax clearances, and responses to numerous reviewing agencies, and requiring owners to sign-off on subdivision applications prior to the completion of negotiations, and the filing of comprehensive and separate subdivision maps for each owner. This duplicative process has lengthened the highway project delivery process, putting projects at risk of lapsing state and federal funds. Your Committee finds that this measure will make the highway delivery process more efficient and will allow DOT to provide necessary infrastructure in a more timely manner.

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. 2428 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 Har, Luke, McKelvey, Sonson and Meyer.

SCRep. 40-08 Transportation on H.B. No. 2745

The purpose of this bill is to examine the economic and human impacts any future mass transit system on the island of Oahu may have on communities along the chosen route by creating a task force to:

- (1) Examine the feasibility of establishing economic zones proximate to the route or routes of any future mass transit system on the island of Oahu, particularly in areas surrounding transit stops;
- (2) Recommend parameters for the creation of mass transit route economic zones including, among other things, geographic criteria, business eligibility, and benefits and incentives such as tax credits; and

- (3) Submit a report of its findings and recommendations to the legislature prior to the convening of the Regular Session of 2009.

The Department of Business, Economic Development, and Tourism (DBEDT) and Department of Taxation supported the intent of this bill. The Department of Planning and Permitting of the City and County of Honolulu testified in opposition to this measure. A concerned individual commented on this bill.

The City and County of Honolulu is currently in the process of establishing a mass transit system for the island of Oahu, including the finalization of its initial route. While the establishment of this mass transit system is expected to have positive impacts on the community it will serve, negative impacts, particularly on existing businesses near the mass transit routes, are also expected. Issues such as affordable housing, convenient shopping and parking, and business incentives for areas near the transit route also need to be examined to make the system more viable. Your Committee finds that the establishment of a task force within DBEDT to examine this issue will only enhance the viability of a mass transit system for Oahu.

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. 2745 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 Har, Luke, McKelvey, Sonson, Takumi and Meyer.

SCRep. 41-08 Transportation on H.B. No. 2577

The purpose of this bill is to protect the safety, health, and well-being of the residents of rural areas on Maui by requiring the Department of Transportation (DOT) to prepare, and appropriating funds for, a disaster contingency plan to maintain continued transportation access along Hana Highway in case of catastrophic events such as earthquakes, landslides, or heavy rains or flooding.

DOT supported the intent of this measure.

Access to many rural areas in Hawaii is restricted to one-lane highways with numerous bridges. These highways serve as a lifeline to these rural communities, especially in times of disaster. This is especially true for the Hana Highway, which experienced extensive and lengthy closures over the past two years due to earthquakes and heavy flooding. This resulted in residents being essentially "cut-off" from the rest of Maui County, with some areas needing to have food, water, fuel, and other supplies flown into the area by military helicopters. Anticipating disasters through the establishment of highway contingency plans will allow for access to rural areas such as Hana to be maintained during times of disasters.

Your Committee does understand the concerns raised by DOT that although their responsibility consists of maintaining the Hana Highway, such disaster planning is better accomplished by a county civil defense agency. Accordingly, your Committee has amended this measure by:

- (1) Requiring the Maui Civil Defense Agency, rather than DOT, to prepare a disaster contingency plan to maintain continued transportation access along the Hana Highway;
- (2) Appropriating funds to Maui County to be expended by the Maui Civil Defense Agency to prepare this disaster contingency plan; 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. 2577, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2577, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Sonson, Takumi and Meyer.

SCRep. 42-08 Health/Human Services & Housing on H.B. No. 2001

The purpose of this bill is to ensure access to the prescription drugs people in certain rural areas of the state need by requiring the Board of Pharmacy to allow the federally qualified health center Ho'ola Lahui Hawaii, on the island of Kauai, to participate in a telepharmacy program.

The Hawaii Primary Care Association, Ho'ola Lahui Hawaii, Hana Health, and Waianae Coast Comprehensive Health Center supported this bill. Kaiser Permanente and Times Super Market Pharmacies supported the intent of this measure. The Board of Pharmacy supported this bill with amendments.

Your Committees find that use of remote dispensing pharmacies supported by modern telecommunication technologies offers an innovative and efficient method of providing residents of rural areas of the state with the prescription medications they need. Ho'ola Lahui Hawaii is currently set up to provide this service on the island of Kauai and we can learn much by observing this operation to note what benefits could be gained through its use elsewhere in the state. Subsequent committee hearings may wish to consider that Hana, Maui would also be a place that could realize many benefits of such a system due to its geographically isolated nature.

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

- (1) Authorizing remote pharmacies in any county with less than 100,000 residents;
- (2) Providing that a remote dispensing pharmacy will be under the direct supervision of a registered pharmacist;
- (3) Ensuring a secure physical set-up connected remotely to a responsible pharmacy that enables consumers to consult privately with a pharmacist;
- (4) Stipulating that a pharmacist be in control of the facility's operation and approve prescriptions before they are dispensed;
- (5) Prohibiting the dispensing of controlled substances from remote dispensing pharmacies;
- (6) Providing that records are kept of prescriptions filled at a remote dispensing pharmacy;
- (7) Exempting physicians from the stipulations of this bill;
- (8) Requiring the Department of Commerce and Consumer Affairs to submit an annual report to the Legislature on the use of remote dispensing pharmacies and their financial impact on near-by pharmacies; and
- (9) Inserting a sunset date of January 1, 2013.

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. 2001, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2001, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 43-08 Health on H.B. No. 2567

The purpose of this bill is to ensure that our sick, elderly, and disabled population will have secure facilities in which to seek shelter during times of emergency by providing \$2,000,000 to the Department of Health (DOH) to fund a study to assess the structural integrity of each hospital and nursing home facility to determine their ability to withstand hurricanes and earthquakes.

The Healthcare Association of Hawaii supported this bill. The Department of Defense (DOD) supported the intent of this measure. DOH and Hawaii Centers for Independent Living submitted comments.

Your Committee has amended this bill by:

- (1) Making DOD the agency responsible for coordinating and implementing the assessment;
- (2) Changing the appropriation to a blank amount; 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. 2567, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2567, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 44-08 Energy & Environmental Protection on H.B. No. 2004

The purpose of this bill is to appropriate funds for the Hawaii Energy Policy Forum (Policy Forum) at the University of Hawaii at Manoa to continue its study with the Energy-efficiency Transportation Strategies Working Group (Working Group) resulting from Act 254, Session Laws of Hawaii 2007 (Act 254), to develop energy-efficient transportation strategies.

A member of the Hawaii County Council and the Hawaii Transportation Association supported this bill. The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this measure. The Policy Forum, High Technology Development Corporation, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., supported this bill with amendments.

The 2007 Legislature passed House Bill No. 869, enacted as Act 254, to address a major factor in Hawaii's quest for energy self-sufficiency by reducing its dependence on imported oil. Various modes of transportation, including motor vehicles, ocean vessels, and airplanes, are responsible for an inordinate amount of fuel consumption. Act 254 appropriated funds to the Policy Forum to support its proposed study on energy-efficient transportation strategies in conjunction with DBEDT.

After scoping the work and identifying major stakeholders, the Policy Forum established the Working Group, comprised of dedicated, enthusiastic, knowledgeable, and cost-conscious individuals. Considering the time frame and comprehensiveness of the task outlined in Act 254, the Working Group has focused its efforts on energy-efficiency in ground transportation. Accordingly, your Committee has amended this bill by:

- (1) Revising the goals of the Working Group to read:

- (a) Increasing choices in modes of travel to permit the public to choose more energy-efficient and flexible modes of travel;
 - (b) Increasing the fuel efficiency of Hawaii's vehicle population by providing incentives that will influence consumers to buy and use more efficient vehicles; and
 - (c) Diversifying energy sources available to meet transportation energy needs—greater diversity of energy sources provides additional flexibility in meeting the energy needs of the transportation sector;
- and
- (2) Reducing the appropriation to \$175,000 in recognition of the work contributed by the Policy Forum to the strategies study, as opposed to contracting-out the total study to a consulting firm.

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2004, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2004, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Saiki.

SCRep. 45-08 Education on H.B. No. 2368

The purpose of this bill is to better align Hawaii's teacher licensure requirements with the criteria of the No Child Left Behind Act of 2001, Public Law 107-110, (NCLB) for highly qualified teachers. Specifically, this bill:

- (1) Requires the Hawaii Teacher Standards Board (HTSB) to make administrative rule changes for this purpose;
- (2) Require the Department of Education (DOE) and HTSB to share data and collaborate for this purpose; and
- (3) Allow individuals to be employed by DOE on an emergency basis for no more than three, rather than four, years.

The University of Hawaii testified in support of this bill. DOE supported this measure with amendments. The Hawaii State Teachers Association supported the intent of this bill. HTSB offered comments.

Your Committee has amended this bill by:

- (1) Removing the requirement that HTSB make administrative rule changes to align state licensure requirements with federal licensure requirements;
- (2) Allowing unlicensed individuals who have been hired on an emergency basis and are teaching non-core subject areas prior to the effective date of the bill to attain licensure no later than four years from the date of their employment, rather than submitting them to the new three-year requirement;
- (3) Clarifying the purpose section; 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. 2368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2368, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee.

SCRep. 46-08 Consumer Protection & Commerce on H.B. No. 2248

The purpose of this bill is to clarify that a reciprocal insurer and its attorney-in-fact are to be treated as a single entity that qualifies for the general excise tax exemption for insurers.

This bill also clarifies that the general excise tax exemption for insurance companies applies to "insurers," including a reciprocal insurer and its attorney-in-fact, authorized to do business under chapter 431, Hawaii Revised Statutes (HRS).

The Department of Commerce and Consumer Affairs, Medical Insurance Exchange of California, Medical Underwriters of California, and Hawaii Medical Association testified in support of this bill. Tax Foundation of Hawaii submitted comments.

A reciprocal insurer is recognized by the Insurance Code (chapter 431, HRS) as an insurance company or insurer that provides insurance through unincorporated associations of individuals, partnerships, or corporations called "subscribers." The reciprocal insurer is directly owned by its policyholders.

In the case of a stock or mutual insurer, which is required by law to be formed as a corporation, the corporation's officers and employees are responsible for managing and operating the stock or mutual insurer. The reciprocal insurer is an unincorporated association of

subscribers that operates through what is called an "attorney-in-fact" common to all of its subscribers. The "attorney-in-fact" is not the same thing as an "attorney-at-law," and should not be confused as such.

Insurers in Hawaii are taxed in lieu of most state taxes because they are subject to the insurance premium tax under section 431:7-204, HRS. Section 237-29.7, HRS, exempts "insurance companies authorized to do business under chapter 431" from paying the general excise tax, as long as the insurance company has paid the insurance premium tax.

The Insurance Division has long recognized a reciprocal insurer and its attorney-in-fact as a single entity for regulatory purposes. However, since the term "insurance company" is not defined in chapter 237, HRS (general excise tax law), or chapter 431, HRS (the Insurance Code), the general excise tax exemption for insurers has been interpreted as inapplicable to a reciprocal insurer and its attorney-in-fact.

As a result, a reciprocal insurer and its attorney-in-fact have been singled out and subjected to the general excise tax. This ultimately affects the premium rates paid by subscribers who are the owners and insureds of the reciprocal insurer.

At the same time, your Committee understands the concerns of the Tax Foundation of Hawaii that the bill, as drafted, may be improperly interpreted to apply the general excise tax exemption to an attorney-in-fact for services that are not related to the reciprocal insurer.

Accordingly, your Committee has amended this bill to address these concerns by:

- (1) Amending the in lieu provision for insurers in section 431:7-204, HRS, to provide that each corporate or other attorney-in-fact of a reciprocal insurer is subject to all taxes imposed upon corporations or others doing business in Hawaii, except for taxes on income or gross receipts derived from its principal business as attorney-in-fact;
- (2) Providing a definition of "attorney-in-fact"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2248, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 47-08 Consumer Protection & Commerce on H.B. No. 2347

The purpose of this bill is to clarify the application of penalties for violations of the scrap dealer law by specifying that penalties may be imposed for violations of either the scrap dealer licensing or scrap documentation statutes.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and Honolulu Police Department testified in support of this bill.

Section 445-235, Hawaii Revised Statutes (HRS), sets forth penalties for violations of the scrap dealer law under Part X of Chapter 445, HRS. That section currently states in part that a scrap dealer incurs a penalty for a violation of sections 445-232 (licensing) and 445-233 (documentation of scrap purchased by dealer), HRS. There are concerns that this phrasing could be interpreted as requiring a violation of both sections before a penalty may be imposed.

Your Committee finds that by specifying that a penalty may be imposed for a violation of either the scrap dealer licensing or scrap documentation statutes, this measure clarifies the legislative intent behind the application of penalties under the scrap dealer law.

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. 2347 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, Morita and Souki.

SCRep. 48-08 Labor & Public Employment on H.B. No. 2573

The purpose of this bill is to ensure that employees receive appropriate medical care and services for their injuries by increasing the limitation on charges for medical care for injured employees from 110 percent to 120 percent of the Medicare Resource Based Relative Value Scale System.

The Department of Commerce and Consumer Affairs, Department of Labor and Industrial Relations, Hawaii State Chiropractic Association, ILWU Local 142, Hawaii Medical Association, and Healthcare Association of Hawaii testified in support of this measure. The Hawaii Chapter-American Physical Therapy Association supported the intent of the bill. The Hawaii Insurers Council opposed this measure. The American Insurance Association and Hawaii Employers' Mutual Insurance Company, Inc., commented on this measure.

Treatment of injured employees through the workers' compensation system is meant to return these employees to the workforce as soon as possible while protecting their long term health and well-being. However, complaints of insufficient payments for these types of cases have surfaced for a number of years. One of the biggest complaints regarding inadequate reimbursement for workers' compensation cases has been the statutory limitation on payments that is tied to the Medicare fee schedule. In fact, the inadequacy of workers' compensation payments made to health care providers under the current system has been documented in a report conducted by the Legislative Reference Bureau in 1998

that concluded that the limitation of 110 percent of the Medicare fee schedule for workers' compensation cases was insufficient and recommended increasing the fee schedule to at least 125 percent of the Medicare fee schedule. Your Committee finds that the failure of reimbursements to keep up with increased health care costs and costs of living have resulted in numerous medical professionals choosing not to accept workers' compensation cases. This, in turn, has resulted in fewer treatment options for injured workers.

Your Committee has amended this bill by changing:

- (1) The limitation on workers' compensation cases from 120 percent of the Medicare fee schedule to a blank percent; and
- (2) The effective date to July 1, 2059, to encourage further discussion.

Technical, nonsubstantive amendments have also been made for purposes of 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. 2573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2573, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 49-08 Labor & Public Employment on H.B. No. 3029

The purpose of this bill is to further clarify requirements for the payment of prevailing wages on public works projects by including, as a public work, construction contracts between private persons using state or county land for commercial, profit-making activity.

The Hawaii Carpenters Union, Hawaii State AFL-CIO, and Laborers' Union Local 368 testified in support of this bill. The Department of Labor and Industrial Relations testified in opposition to this measure.

Chapter 104, Hawaii Revised Statutes (HRS) establishes that prevailing wages be paid on projects meeting criteria that define it as a public work. However, some confusion remains on whether the payment of prevailing wages are required under construction contracts between private persons using state or county land. This measure attempts to clarify this ambiguity by specifying that prevailing wages be paid on these construction contracts if the state or county land is used for commercial, profit-making activity.

Your Committee has amended this measure 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. 3029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3029, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 50-08 Labor & Public Employment on H.B. No. 3368

The purpose of this bill is to protect workers' right to organize by:

- (1) Requiring that any bid specification offered or contract entered into by a governmental body to perform services in excess of \$25,000 contain certain provisions allowing the organizing of employees;
- (2) Imposing fines on contractors who are found to be in violation of the law;
- (3) Establishing that any employer found to be in violation of the law shall be liable to the employee or employees affected for the amount of their unpaid wages or compensation; and
- (4) Requiring employers pay an additional amount equal to the liquidated damages for unpaid wages or compensation of an employee or employees in cases of a willful violation.

The Hawaii State AFL-CIO, ILWU Local 142, and Laborers' Union Local 368 testified in support of this bill. The Department of Labor and Industrial Relations testified in opposition to this measure.

The right to form or join a union has long been established in the United States. This right is exercised by employees in a variety of ways, including an elections process and a process known as "card check recognition". Under the "card check recognition" process, signed union authorization cards are verified by a neutral third party. If, through this process, it is established that a majority of the workers support a union, the employer voluntarily recognizes that particular union.

While organizing by employees may seem like a simple, straightforward process, your Committee notes that concerns have been raised by both employers and employees that numerous tactics to both oppose and support unionization have been used by both parties to push their particular agendas, making the process adversarial at times. Establishing a "card check recognition process" on certain public contracts may help to make the unionization process more amicable between employer and employee.

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. 3368, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3368, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 51-08 Human Services & Housing on H.B. No. 2280

The purpose of this bill is to assist lower income families make the transition to self-sufficiency by:

- (1) Requiring the establishment of the Public Financial Education and Asset Building Task Force (Task Force) to develop policy recommendations related to achieving financial goals for Hawaii's families; and
- (2) Appropriating funds for the Task Force.

Aloha United Way, the Hawaii Alliance for Community-Based Economic Development, Legal Aid Society of Hawaii, and Hawaii Council on Economic Education testified in support of this bill. The Department of Human Services supported the intent of this measure. The Department of Budget and Finance 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. 2280 and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 52-08 Human Services & Housing on H.B. No. 2051

The purpose of this bill is to provide stability to foster children by:

- (1) Establishing guidelines for school placement that are in the best interests of the child;
- (2) Ensuring that foster children receive services comparable to those provided to children who reside in the school district, including transportation services; and
- (3) Appropriating funds to provide transportation services for foster children.

The Legal Aid Society of Hawaii, Hawaii Family Support Institute, Hawaii Foster Parent Association, Hawaii Foster Youth Coalition, and several concerned individuals testified in support of this bill. The Department of Education (DOE) and Department of Human Services (DHS) supported the intent of this measure.

Your Committee recognizes that foster children are already facing instability when removed from a home and placed into foster custody, and being forced to transfer to a different school places added stress and instability on the child. DOE raised some concerns with regard to transportation and recommended that children under the age of 10 should not be subjected to rides longer than 30 minutes between home and school. DOE also noted some logistical challenges in that it is not feasible to have a separate school bus for a small number of children. Some of these special situations should be considered on a case-by-case basis, and the lack of public transportation in some areas of the state also needs to be taken into consideration.

Your Committee has amended this bill by:

- (1) Clarifying the definitions of "foster child" and "school of origin" and making them consistent with existing definitions under the Child Protective Act;
- (2) Requiring school placement decisions to be made in consultation with DHS and the child's guardian ad litem and, when necessary, the surrogate parent and the family court;
- (3) Clarifying that transportation should be provided to and from school; 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. 2051, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2051, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 53-08 Human Services & Housing on H.B. No. 2775

The purpose of this bill is to increase the salary cap for the Director of the Executive Office on Aging (EOA) from 69 percent to 80 percent of the salary of the Director of Human Resources Development.

The Department of Health, Maui County Executive on Aging, and Policy Advisory Board for Elder Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the cap on the salary of the Director of EOA set by the appointing authority; and
- (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. 2775, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2775, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 54-08 Human Services & Housing on H.B. No. 2767

The purpose of this bill is to educate individuals about the dangers of prostitution by:

- (1) Requiring the Department of Human Services (DHS) to contract services to establish a Pilot Prostitution Prevention Education and Diversion Program; and
- (2) Appropriating \$300,000 for the pilot program.

The Hawaii State Commission on the Status of Women testified in support of this bill. 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. 2767 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 55-08 Human Services & Housing on H.B. No. 2772

The purpose of this bill is to further address issues relating to human trafficking by:

- (1) Adding members to the Hawaii Anti-trafficking Task Force (Task Force);
- (2) Extending the Task Force to June 30, 2010; and
- (3) Appropriating \$10,000 for Task Force expenses.

The Hawaii State Commission on the Status of Women, Crime Victim Compensation Commission, Sex Abuse Treatment Center, Safe Zone Foundation, Girl Fest Hawaii, and VOICES testified in support of this bill. The Attorney General supported the intent of this measure. The Department of the Prosecuting Attorney testified in support of this bill with amendments.

Your Committee has amended this bill by:

- (1) Removing Sisters Offering Support, which no longer exists, from the Task Force;
- (2) Changing the Domestic Violence Clearinghouse and Legal Hotline to its new name, the Domestic Violence Action Center; 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. 2772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2772, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 56-08 Human Services & Housing on H.B. No. 2766

The purpose of this bill is to protect victims of domestic violence from their abusers by allowing the courts to:

- (1) Prohibit contact with the victim by establishing court-defined geographic exclusion zones; and
- (2) Require the defendant to wear a global positioning satellite tracking device.

Na Loio and the Domestic Violence Action Center testified in support of this bill. The Hawaii State Coalition Against Domestic Violence and VOICES supported this measure with amendments. The Office of the Public Defender did not support this bill. The Judiciary provided comments.

Your Committee has amended this bill by:

- (1) Specifying that the court-defined exclusion zones be known to the defendant;
- (2) Appropriating funds to the Judiciary to cover costs associated with the electronic devices for defendants who are unable to pay; 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. 2766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2766, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 57-08 Human Services & Housing on H.B. No. 2698

The purpose of this bill is to update the law pertaining to fees for court-appointed counsel and guardians ad litem by:

- (1) Changing the terms "legal" and "non-legal" to "in-court" and "out-of-court", respectively; and
- (2) Clarifying the fee structure to indicate that:
 - (A) Licensed attorneys be paid \$90 per hour for in-court services;
 - (B) Licensed attorneys be paid \$60 per hour for providing out-of-court services; and
 - (C) Non attorneys be paid \$60 per hour for providing either in-court or out-of-court services.

The Judiciary 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. 2698, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2698, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 58-08 Energy & Environmental Protection on H.B. No. 3160

The purpose of this bill is to consolidate the statutory regulation of air emissions from large commercial passenger vessels under the State's air pollution control law rather than under the State's water pollution law.

Specifically, this bill transfers all relevant air pollution control provisions applicable to large commercial passenger vessels that currently exist in chapter 342D, Hawaii Revised Statutes, relating to water pollution, to a newly created part in chapter 342B, Hawaii Revised Statutes, relating to air pollution control.

Your Committee received testimony in support of this bill from the Department of Health.

Your Committee finds that this administration bill will allow for less cumbersome and more rational enforcement of air pollution provisions, as they apply to large commercial passenger vessels.

Upon further consideration, your Committee has amended this bill by deleting the insertion of all new definitions under section 342B-A, Hawaii Revised Statutes, in section 1 of the bill. Instead, your Committee has defined those terms as having the same meanings as already defined in section 342D-101, Hawaii Revised Statutes. Your Committee has also made 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. 3160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3160, H.D. 1, and be referred to the Committees on Tourism & Culture and Transportation.

Signed by all members of the Committee except Representative Saiki.

SCRep. 59-08 Energy & Environmental Protection on H.B. No. 2509

The purpose of this bill is to encourage the recycling of electronic devices by directing the Department of Health to establish a program for collecting and recycling electronic devices. The measure also:

- (1) Allows electronic device manufacturers to implement their own collection and recycling plans for discarded devices, subject to approval;
- (2) Creates a monitoring and enforcement mechanism for ensuring compliance with recycling plans;
- (3) Establishes the electronic device recycling fund, which is funded in part by fees collected from manufacturers that sell electronic devices in the State; and
- (4) Bans disposal of electronic devices in solid waste facilities beginning January 1, 2010.

Testimony in support of this measure was submitted by the City and County of Honolulu, a member of the Hawaii County Council, and Hewlett Packard Corporation. Testimony in opposition to this measure was submitted by the Department of Health. The Retail Merchants of Hawaii and Covanta Energy Group submitted comments on this measure.

Your Committee finds that, although this measure focuses the recycling responsibilities on manufacturers of electronic devices, it also provides flexibility for manufacturers to meet their obligation to protect the environment. The goal of this measure is to close the loop between electronic device manufacturers and consumers so that electronic devices, when discarded, are returned to the manufacturer for recycling. The measure would reduce the amount of waste and potentially toxic materials entering the State's landfills and encourage greater recycling and reuse of valuable materials and component parts inside the electronic devices.

Your Committee acknowledges that many details still need to be addressed before this measure may be enacted, including the costs of administering the program, added costs to manufacturers and consumers, and the measure's tangential effects on other industries such as retailing, manufacturing, and waste disposal. However, your Committee is confident that these challenges can be overcome as the measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2509 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representative Sagum.

SCRep. 60-08 Transportation on H.B. No. 2524

The purpose of this bill is to improve statewide transportation planning by requiring the Statewide Transportation Plan prepared by the Department of Transportation (DOT) to comply with county transportation-related plans, county general plans, or all community, development, or community development plans adopted pursuant to the county general plan, to the extent that it does not affect the availability of federal funds.

DOT, the Department of Planning and Permitting of the City and County of Honolulu, Chair of the Maui County Council, and a member of the Kauai County Council testified in support of this bill. The Hawaii Association of Realtors testified in support of the intent of this measure.

Long-range transportation planning requires a holistic approach. While DOT currently consults with county transportation officials with regard to the State's long-range transportation master plan, strengthening this relationship to ensure a coordinated effort in developing transportation improvements will go a long way to improving the quality of life for Hawaii's residents.

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. 2524 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 Har, Luke, McKelvey, Sonson, Takumi and Meyer.

SCRep. 61-08 Transportation on H.B. No. 2491

The purpose of this bill is to address new methods of transportation development, while protecting the public interest, by declaring, as state policy, certain best practices to which the Governor and Department of Transportation (DOT) must adhere in any public-private transportation partnership agreement.

The Hawaii Government Employees Association, Hawaii Transportation Association, and Mililani/Waipio/Melemanu Neighborhood Board No. 25 testified in support of this bill. DOT supported the intent of this measure.

Many states, including Hawaii, find themselves facing a growing national trend toward privately financing transportation improvements and the development of new transportation facilities. While the cost of improving the nation's highway infrastructure has risen

over the years, moneys in the Federal Highway Trust Fund, upon which states, including Hawaii, depend to fund numerous road projects, has not kept pace. This has placed a serious strain on highway maintenance, improvement, and development plans across the country causing many communities to look at other means of financing these projects, including public-private partnerships and the establishment of transportation tolling facilities.

While the State has made efforts to look at other methods of financing highway infrastructure construction and improvements, including the establishment of toll roads, your Committee finds that the State should examine what this change in public policy would mean for Hawaii should the State decide to commit to this approach. Accordingly, the establishment and declaration of the State's policy for public-private transportation partnerships including tolling facilities would be a prudent approach and an approach that will protect the public's interest in these matters.

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. 2491 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, McKelvey, Sonson, Takumi and Meyer.

SCRep. 62-08 Transportation on H.B. No. 2437

The purpose of this bill is to improve traffic flow in an effort to reduce travel time along the Central Oahu corridor by requiring the Department of Transportation (DOT) to, among other things:

- (1) Develop a comprehensive set of recommendations for improving traffic flow in the Central Oahu corridor;
- (2) Perform a review of Central Oahu traffic flow studies already conducted;
- (3) Study existing patterns and trends in traffic flow and density, existing peak and off-peak usage, and traffic flow under varying conditions, including seasonal and weather considerations;
- (4) Study peak carrying capacity of the H-2 Freeway and Kamehameha Highway, as well as the surrounding feeder highways and roads, at current usage patterns;
- (5) Conduct a review of alternatives for improving regional connectivity and reducing travel time;
- (6) Establish a task force made up of area residents, state and county land use and transportation officials, and area developers to provide advice and assistance to DOT as it conducts this study; and
- (7) Providing an appropriation for these reviews.

The Mililani/Waipio/Melemanu Neighborhood Board No. 25 and a concerned individual testified in support of this bill. DOT supported the intent of this measure.

Traffic congestion and transportation issues affect every community on the island of Oahu. This is especially true of the Central Oahu corridor which serves as a bridge between communities in Central and Leeward Oahu and urban Honolulu. While numerous studies have been conducted on traffic flow in this corridor, a comprehensive review of these studies should be undertaken to develop a wide-ranging set of recommendations for improving traffic flow in the area.

While your Committee understands that the Oahu Metropolitan Planning Organization will soon begin the process of updating its latest transportation analysis for Central Oahu, the expected addition of thousands of housing units in the Central Oahu area warrants that this measure receive 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. 2437 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, McKelvey, Sonson, Takumi and Meyer.

SCRep. 63-08 Transportation on H.B. No. 2531

The purpose of this bill is to protect the health, safety, and well being of the residents of West Maui by establishing an informal, temporary West Maui transportation access plan working group within the Department of Transportation (DOT) to develop an access plan that addresses road closures in West Maui.

Maui Land and Pineapple Company, Inc., Lahaina Bypass Now, and several concerned individuals testified in support of this bill. DOT supported the intent of this measure. The State Procurement Office did not support this bill. Maui Unite opposed this measure.

Many rural areas around the State of Hawaii are accessible by a single roadway or highway. One of those areas, West Maui, is only accessible through one major highway. Closure of this highway can occur at a moment's notice due to incidents that do not rise to the level of a major emergency. In fact, over the last couple of years, the highway has been closed for extensive periods due to wildfires in the area. These closures have resulted in the residents of West Maui being effectively "cut off" from the rest of the island.

Your Committee understands the concerns raised by DOT that although their responsibility consists of maintaining the highway leading into West Maui, disaster planning is better accomplished by a county civil defense agency. Accordingly, your Committee has amended this measure by:

- (1) Requiring the Maui Civil Defense Agency, rather than DOT, to establish and coordinate the informal, temporary West Maui transportation access plan working group to develop an access plan that addresses road closures in West Maui;
- (2) Establishing the expending agency for the appropriated funds as the County of Maui, rather than DOT; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2531, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2531, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Sonson and Meyer.

SCRep. 64-08 Transportation on H.B. No. 2421

The purpose of this bill is to allow for the increased use of alternative modes of transportation by amending the definition of bicycle in the Statewide Traffic Code to include motorized bicycles.

The Department of Transportation (DOT) testified in support of this bill. The Department of Transportation Services (DTS) of the City and County of Honolulu supported the intent of this measure.

Bicycles are an alternative mode of transportation suitable for Hawaii's mild climate. Technological innovations, along with economic and environmental concerns, have given rise over the past several years to the development of electric and other motorized types of bicycles. These motorized bicycles are used by numerous individuals throughout the United States, as well as in Hawaii. However, because bicycles are currently defined as a vehicle that is solely propelled by human power, it has been difficult to register these vehicles. Allowing these devices to be registered and legally operated in Hawaii may increase their use as an alternative means of transportation.

However, concerns were raised by DOT regarding the size of these vehicles and their safe operation on our roadways. DTS also raised concerns that these types of bicycles may not meet the specifications allowing for their safe transport on bike racks attached to public transportation vehicles. Accordingly, your Committee has amended this measure by specifying that:

- (1) Bicycles powered by an electric motor only be equipped with two wheels rather than two or three wheels; and
- (2) Only bicycles that met certain exact specifications would be allowed to be transported on buses used in public transportation systems.

Other technical, nonsubstantive amendments were 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. 2421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2421, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Sonson and Meyer.

SCRep. 65-08 Transportation on H.B. No. 2618

The purpose of this bill is to promote fairness to consumers and remove impediments to commerce dealing with used vehicles by:

- (1) Ensuring that traffic infractions, in addition to any fees incurred for failure to pay the citations, remain the responsibility of the person who owned the vehicle at the time the citation was issued; and
- (2) Establishing that unpaid parking citations shall not prevent the issuance or renewal of the motor vehicle's certificate of registration and transfer of title to the motor vehicle to another person.

Catrala-Hawaii supported the intent of this bill with an amendment.

Current law attaches traffic infractions to the vehicle rather than the vehicle's owner. Your Committee finds that this has caused problems for many who have purchased used vehicles. Citations issued against vehicles have hindered the registration transfer process because motor vehicle registration transfers are not permitted until the new owner pays for the fines contained in the citations issued for that vehicle, even if the fines were incurred by the previous owner. This measure corrects that problem by permitting the new owner to register the vehicle, while requiring the previous owner who incurred the citations to pay the fines.

However, your Committee notes the concerns raised by Catrala-Hawaii that this measure will severely impact the car rental industry in Hawaii. Under current law, U-drive (rental car) companies in Hawaii may pay a lesser fine for traffic infractions committed by the renter of their vehicle if certain information about the renter is provided to Hawaii's judiciary. This exemption is not allowed under this measure. Accordingly, your Committee has amended this bill by:

- (1) Providing an exemption for U-drive companies; and
- (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. 2618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2618, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Sonson and Meyer.

SCRep. 66-08 Human Services & Housing/Health on H.B. No. 2556

The purpose of this bill is to combat substance abuse and to help people recovering from substance abuse by appropriating funds to:

- (1) Increase substance abuse services for youth and adolescents; and
- (2) Establish additional therapeutic living programs.

The Hawaii Substance Abuse Coalition and a concerned individual testified in support of this bill. The Department of Health provided comments.

Your Committees note that DOH's Alcohol and Drug Abuse Division (ADAD) estimates that \$2,116,062 will be required in each fiscal year to implement the programs proposed in this bill and that an additional 43 beds and 130 clients would be served by therapeutic living programs. ADAD also estimates that an additional \$72,000 would be necessary to cover additional staffing and operating costs.

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. 2556 and recommend that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 67-08 Human Services & Housing/Education on H.B. No. 3364

The purpose of this bill is to appropriate funds for one position within the Department of Education (DOE) and one position within the Judiciary to serve as liaisons between the family court and public and private schools.

The Hawaii Association of Independent Schools supported the intent of this bill.

Your Committees urge DOE to adopt a strict confidentiality policy regarding family court records and respectfully request the Committee on Judiciary to further examine the intricacies of this measure, including specifics on who within DOE will receive and have access to information in family court records.

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 are in accord with the intent and purpose of H.B. No. 3364 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 and Tokioka.

SCRep. 68-08 Consumer Protection & Commerce on H.B. No. 2255

The purpose of this bill is to update Hawaii's life insurance laws by implementing provisions adopted by the National Association of Insurance Commissioners (NAIC) relating to employee group life insurance policies, group life insurance coverage for spouses and dependents of insured persons, and the replacement of life insurance policies and annuities. Specifically, this bill, among other things:

- (1) Eliminates:
 - (A) The requirement that a group life insurance policy funded partially by the insured employees have a participation of at least 75 percent of the eligible employees;
 - (B) The requirement that employee group life insurance policies cover at least ten employees at the time of issue;
 - (C) The provision precluding individual selection by the employees, employer, or trustees of amounts of insurance under an employee group insurance policy; and
 - (D) Restrictions, based on the status of dependents, on the ability of insured employees to have their spouses and dependents covered under a group life insurance policy in amounts equivalent to the amount of coverage for the employee;

and

- (2) Excludes the exercise of a term conversion privilege among corporate affiliates from the laws governing the replacement of life insurance policies and annuities.

The American Council of Life Insurers and National Association of Insurance and Financial Advisors-Hawaii testified in support of this bill. State Farm Insurance Companies supported this measure with amendments. The Department of Commerce and Consumer Affairs offered comments.

Your Committee finds that this bill conforms Hawaii law with current provisions adopted by the NAIC and removes certain outdated restrictions on the purchase of group life insurance policies, which may provide consumers with more options to obtain life insurance.

Your Committee has amended this bill by providing that the premiums for employee group life insurance policies may be paid:

- (1) Entirely by the employer;
- (2) Entirely by the insured employees; or
- (3) By a combination of both employer and employee contributions.

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. 2255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2255, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 69-08 Consumer Protection & Commerce on H.B. No. 2589

The purpose of this bill is to deter crimes relating to scrap metal, by requiring scrap dealers to pay for scrap only by check issued no sooner than five days after the purchase and mailed to the seller. This bill also requires scrap dealers to retain the canceled check for two years and make the check available for inspection by the authorities.

The Honolulu Police Department, Schnitzer Steel Hawaii Corp., and Okuda Metal, Inc. testified in support of this bill.

Copper theft has been a growing problem in Hawaii in recent years. The impetus behind this form of property crime is the access to "fast cash" through the sale of stolen copper to scrap dealers. Additionally, business competition drives dealers to pay for scrap with cash, which is a more attractive form of payment for scrap sellers.

By requiring dealers to pay for scrap by check, the "fast cash" element is limited and an audit trail established that may help law enforcement conduct investigations.

However, concerns were raised regarding the impact this bill may have on businesses that would be required, for all types of scrap purchased, to delay the issuance of check payments by at least five days after the date of purchase and to mail the checks to sellers.

In light of these concerns and the need for further measures to curb copper theft, your Committee has amended this bill by:

- (1) Limiting the five-day wait period and mailing requirement to checks used to pay for copper; 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. 2589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2589, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 70-08 Consumer Protection & Commerce on H.B. No. 2712

The purpose of this bill is to protect personal information against identity theft, by appropriating funds for the City and County of Honolulu to develop a data encryption system.

The Department of Information Technology of the City and County of Honolulu testified in support of this bill.

In 2006, several bills were enacted to increase consumer protections against identity theft by requiring businesses and government agencies to:

- (1) Notify consumers if their personal information has been compromised (Act 135, Session Laws of Hawaii 2006);
- (2) Take reasonable measures to protect personal information when disposing of records (Act 136, Session Laws of Hawaii 2006); and

- (3) Protect social security numbers (Act 137, Session Laws of Hawaii 2006).

This bill appropriates funds for the City and County of Honolulu to develop a data encryption system in furtherance of the protections for personal information required by the 2006 Acts. Such a system will help protect the personal information handled by the City and County of Honolulu, which maintains such data for its driver's licensing, motor vehicle registration, voter registration, and juvenile justice information systems.

Your Committee has amended this bill by:

- (1) Changing the appropriation to a nominal sum 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. 2712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2712, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 71-08 Higher Education on H.B. No. 2583

The purpose of this bill is to foster meaningful discourse regarding certain University of Hawaii (UH) matters, as matters of intense public interest and statewide concern, by:

- (1) Prohibiting the UH Board of Regents (BOR) from withholding recommendations, draft documents, proposals, suggestions, or other opinion materials that comprise part of the deliberative process by which the BOR formulates its decisions and policies, including those relating to the UH budget;
- (2) Requiring UH to publicly disclose the range of proposed compensation of executive and head athletic coaching positions at UH; and
- (3) Requiring UH to include in its annual report to the Legislature the salaries paid to its head athletic coaches.

The UH Professional Assembly and a concerned individual testified in support of this bill. UH and the Office of Information Practices offered comments.

Your Committee has amended this bill by:

- (1) Inserting a provision that requires proposed compensation or any change in compensation for administrative positions in the UH system filled by excluded employees under chapter 89C, Hawaii Revised Statutes, be disclosed in open meeting for purposes of public comment;
- (2) Requiring that the BOR, for administrative positions in the UH system filled by excluded employees, shall publicly disclose, no later than six business days before any related open meeting convened for the purposes of public comment, compensation offered to newly-hired employees and any changes in compensation offered to existing employees under chapter 89C, rather than the range of proposed compensation offered to persons under consideration for executive positions and head athletic coaching positions;
- (3) Removing the requirement that BOR include in its annual report to the Legislature the salaries paid to its head athletic coaches; 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. 2583, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2583, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 72-08 Higher Education on H.B. No. 2134

The purpose of this bill is to continue the important research, data sharing, and collaborative services of the Hawaii State Center for Nursing (Center) by making permanent the deposit and disbursement of certain nursing fees into the Compliance Resolution Fund to the credit of the Center For Nursing Special Fund (Special Fund).

The Board of Nursing and Healthcare Association of Hawaii testified in support of this bill. The Hawaii Nurses Association and a concerned individual opposed this measure. The Center offered comments.

Your Committee respectfully suggests that:

- (1) An annual report be submitted by the Center to the Governor, Legislature, and stakeholders, including the accomplishments of the Center and its financial statements for the fiscal year; and
- (2) An evaluation be performed of the Center's fee structure to ensure that fees charged to nurses are appropriate to the mandated functions of the Center.

Your Committee has amended this bill by extending the sunset date to 2014, rather than making permanent, the deposit and disbursement of certain nursing fees into the Compliance Resolution Fund to the credit of the Special Fund.

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. 2134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2134, H.D. 1, and be referred to the Committee on Health.

Signed by all members of the Committee, except Cabanilla, Takai, Ching and Finnegan.

SCRep. 73-08 Higher Education/Economic Development & Business Concerns on H.B. No. 2020

The purpose of this bill is to appropriate funds to the Hawaii Small Business Development Center Network to further its mission to create sustainable economic development through counseling, training, and research services to small businesses and entrepreneurs.

The University of Hawaii and National Federation of Independent Businesses-Hawaii 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) Changing all appropriation amounts to \$1;
- (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 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. 2020, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2020, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 74-08 Higher Education/Economic Development & Business Concerns on H.B. No. 2431

The purpose of this bill is to exempt the University of Hawaii (UH) Board of Regents (BOR) from the requirements of the Hawaii Public Procurement Code (Code), while encouraging the BOR to use the provisions of the Code.

UH testified in support of this bill. The State Procurement Office opposed this measure.

Your Committees have amended this bill by:

- (1) Requiring that the BOR file its procurement policy and any changes in the policy with the Hawaii Procurement Institute;
- (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 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. 2431, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2431, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 75-08 Education on H.B. No. 2792

The purpose of this bill is to recognize the vital role of substitute teachers in our public schools by:

- (1) Providing adequate compensation to Hawaii's substitute teachers by requiring the Board of Education (BOE) to provide wage adjustments for substitute teachers comparable to the wage adjustments negotiated for teachers in collective bargaining unit 5; and
- (2) Allowing BOE to adjust hours, benefits, and other terms and conditions of employment for substitute teachers.

The Hawaii State Teachers Association, Hawaii Carpenters Union, Local 745, and Alston Hunt Floyd & Ing Lawyers, the law firm representing substitute teachers in *Garner v. Doe* (Civil No. 03-1-000305) and *Kliternick v. Hamamoto* (Civil No. 05-1-0031-01), testified in support of this bill. The Department of Education supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Clarifying that wage adjustments for substitute teachers shall be comparable to the across-the-board per cent wage adjustments for teachers that are negotiated with collective bargaining unit 5;
- (2) Inserting an appropriation of \$2,000,000 for fiscal year 2008-2009 for retroactive across-the-board pay increases to substitute teachers for the 2007-2008 school year and for negotiated across-the-board pay increases for the 2008-2009 school 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2792, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2792, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 76-08 Human Services & Housing on H.B. No. 2514

The purpose of this bill is to extend the sunset date for the allocation of 50 percent of the conveyance tax to the Rental Housing Trust Fund from June 30, 2008, to June 30, 2013.

The Hawaii Housing Finance and Development Corporation, Office of Hawaiian Affairs, Department of Community Services of the City and County of Honolulu, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Waikiki Health Center Care-A-Van Program, Hawaii Association of REALTORS, Partners In Care, and a concerned individual testified in support of this bill.

Your Committee finds that a majority of the testifiers recommended that instead of extending the sunset date, that it should be removed and the allocation of 50 percent of the conveyance tax to the Rental Housing Trust Fund be made permanent.

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. 2514 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 Bertram and Ward.

SCRep. 77-08 Human Services & Housing on H.B. No. 3137

The purpose of this bill is to enable the State to comply with its settlement agreement with the United States Department of Justice concerning conditions at the Hawaii Youth Correctional Facility (Facility) by authorizing investigators appointed and commissioned by the Director of Human Services to access all information necessary to investigate incidents at the Facility.

The Department of the Attorney General and Office of Youth Services 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. 3137 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. 78-08 Health on H.B. No. 2011

The purpose of this bill is to improve the recuperation process following a mastectomy by requiring insurers, mutual benefit societies, and health maintenance organizations to provide coverage for hospital stays of at least 48 hours following a mastectomy.

The Hawaii Medical Association supported the intent of this bill. The Hawaii Association of Health Plans opposed this measure. The Department of Commerce and Consumer Affairs and Hawaii Medical Services Association submitted comments.

Your Committee has amended this bill by inserting a sunset date of June 30, 2020.

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. 2011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2011, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 79-08 Health on H.B. No. 2013

The purpose of this bill is to ensure the most effective medical treatments are available to cancer patients by requiring insurers, mutual benefit societies, and health maintenance organizations to provide coverage for oral chemotherapy as a medical benefit rather than a drug benefit.

The Hawaii Medical Association supported the intent of this bill. The Hawaii Association of Health Plans opposed this measure. The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association submitted comments.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2013, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 80-08 Health on H.B. No. 1996

The purpose of this bill is to entice physicians to set up practice in health professional shortage areas of the state by establishing Health Enterprise Zones where physicians will be eligible for income tax exemptions and low interest loans for constructing a medical facility.

The Hawaii Health Systems Corporation, Mayor of the County of Hawaii, Healthcare Association of Hawaii, Hawaii Psychiatric Medical Association, Hawaii Association of Health Plans, Hawaii Medical Service Association, and Hawaii Medical Association supported this bill. The Consumer Lawyers of Hawaii and a concerned individual supported the intent of this measure. The Hawaii Primary Care Association supported this bill with amendments. The Department of Business, Economic Development, and Tourism, Department of Taxation, Department of Health, and Tax Foundation of Hawaii provided comments.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1996, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 81-08 Health/Human Services & Housing on H.B. No. 2112

The purpose of this bill is to increase access to services needed by the rapidly growing population of older adults by establishing a task force on aging to study and develop preliminary plans for the consolidation of publicly-funded programs and services that would appropriately fall within the jurisdiction of a new department of aging.

The Hawaii Alliance for Retired Americans, ILWU Local 142, and a concerned individual supported this bill. The University of Hawaii at Manoa and AARP supported the intent of this measure. The Executive Office on Aging opposed this bill.

Your Committees recognize the increasing need for an efficient delivery system of services for older adults in the face of this populations growing numbers. A task force on aging would provide the Legislature with valuable information to assist in creating effective policies to meet the needs of Hawaii's older adults. However, the time period allotted to the task force may not be sufficient and should be evaluated further as this bill continues through the legislative process.

Your Committees have amended this bill by:

- (1) Including the Director of the Executive Office on Aging or the Director's designee as a member of the task force on aging; 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. 2112, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2112, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative and Shimabukuro.

SCRep. 82-08 Labor & Public Employment on H.B. No. 3162

The purpose of this bill is to better align the State's workforce development policies and programs with its economic policies by transferring the Workforce Development Council (WDC) from the Department of Labor and Industrial Relations (DLIR) to the Department of Business, Economic Development, and Tourism (DBEDT).

DLIR, DBEDT, WDC, and The Chamber of Commerce of Hawaii testified in support of this bill.

The WDC is currently placed within DLIR for administrative purposes. Transferring the WDC to DBEDT would better align the State's workforce development activities and economic development activities, which may result in increased receipt of national workforce funds and allow the State to be better equipped to handle the State's workforce needs in an increasingly global economy.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, 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. 3162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3162, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 83-08 Labor & Public Employment on H.B. No. 1979

The purpose of this bill is to provide fairness in the process of collecting moneys owed to the state or county by a State officer, agent, or employee, by establishing a three year statute of limitations for the recovery of overpayment of state salaries.

The Hawaii Government Employees Association and Hawaii State Teachers Association testified in support of this bill. A concerned individual testified in support of the intent of this measure. The Department of Accounting and General Services opposed this bill.

Collecting overpayments of a State employee's salary can be an arduous, and oftentimes difficult task, especially when the overpayment is the result of miscalculations by State. If this error goes undetected by either party for a number of years, it can make the process all that more difficult.

Under current law, the State is provided with an unlimited amount of time to collect overpayments it made to State employees. However, if an underpayment of a State employee's salary is made, the employee is allowed only certain window of opportunity to file a claim. Limiting the time the State has to pursue reimbursement of a salary overpayment made to a State employee brings fairness to this process.

Your Committee has amended this measure by:

- (1) Changing the period of time over which the State or county is allowed to recover employee debts from three years to two years; and
- (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. 1979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1979, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 84-08 Transportation on H.B. No. 2922

The purpose of this bill is to lower the fuel tax for diesel oil sold for use in a power-generating facility to a tax rate of one cent per gallon instead of two cents per gallon.

The Kauai Island Utility Cooperative testified in support of this bill. The Department of Transportation opposed this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

One provision of Act 209, Session Laws of Hawaii 2007, was to re-enact the general excise tax exemption for alcohol fuel to help reduce the cost of gasoline for Hawaii's consumers. In doing so, a one-cent increase in the license tax of diesel oil was enacted. As the exemption was apparently intended to provide relief for consumers of transportation fuels, it does not appear that the increase for diesel oil used for power-generating facilities was intended.

Although your Committee notes that the exception in the increase of the fuel tax on diesel oil provided for in this measure will result in revenue losses for the State Highway Fund, the fiscal implications of this measure are beyond the subject matter of this Committee and your Committee on Transportation respectfully requests the Committee on Finance to consider 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 H.B. No. 2922 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 McKelvey, Sonson and Meyer.

SCRep. 85-08 Transportation on H.B. No. 2954

The purpose of this bill is to assist towing companies while providing consumers with increased towing services by:

- (1) Reinstating the authority of towing companies to charge overtime fees during certain hours of operation; and
- (2) Adding a new provision disallowing the overtime fee for towing companies in counties with a population greater than 500,000 if the company does not:
 - (A) Offer towing services to consumers 24 hours per day every day of the week; and
 - (B) File their hours of operation with the police department in that county.

The Hawaii State Towing Association testified in support of this bill. The Department of Commerce and Consumer Affairs and State Farm Insurance Companies testified in opposition to this measure.

Until recently, towing companies were allowed to charge overtime fees. These fees allow towing companies an additional means of dealing with the financial hardship of increased operational and storage costs. However, your Committee notes that consumers have complained that they have had difficulty in retrieving their vehicle once it has been towed because some tow companies do not have convenient hours of operation. This has often resulted in increased charges for the consumer as daily storage charges are not waived. This measure attempts to strike a balance to afford benefits to both the towing companies and consumer.

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. 2954 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 McKelvey, Sonson and Meyer.

SCRep. 86-08 Transportation on H.B. No. 2364

The purpose of this bill is to enhance the health and safety of all-terrain vehicle (ATV) riders under the age of 18 by:

- (1) Requiring the use of a safety helmet when operating an ATV;
- (2) Prohibiting the selling, renting, loaning, or leasing of an ATV unless a safety helmet is provided for the operator of the ATV; and
- (3) Requiring the Director of Transportation to adopt rules establishing specifications and standards for safety helmets offered for sale or sold for use by drivers, operators, and passengers of ATVs.

The Representative of the 19th District, Department of Health, The Queen's Medical Center Trauma Service, Brain Injury Association of Hawaii, Hawaii Medical Association, Keiki Injury Prevention Coalition, and a concerned individual testified in support of this bill. The Honolulu Police Department (HPD) supported the intent of the safety issues contained in this bill but opposed this bill because of enforcement concerns. A concerned individual submitted comments.

ATVs have been and continue to be used across Hawaii. As with motorcycle and moped riders, ATV riders can expect to experience the same, if not greater, risk ratios for traumatic head injuries when not wearing a helmet. This is especially true for persons under the age of eighteen.

Your Committee finds that safety helmets can reduce the risk of head injuries by as much as 85 percent and the risk of brain injuries by as much as 88 percent, which would save an exorbitant amount of health care costs associated with traumatic head injuries. More importantly, the immeasurable toll and grief experienced by family members and loved ones of individuals with traumatic brain injuries can be avoided by the use of a helmet.

However, your Committee notes the concerns raised by HPD regarding issues of enforcing the provisions of this measure and that this measure contains no penalty provisions for any violations but finds that these concerns would be better addressed by the Committee on Judiciary. Your Committee therefore respectfully asks the Committee on Judiciary to review these concerns at the appropriate time. Nevertheless, the safety of minors operating these vehicles deserves further consideration.

Accordingly, 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 H.B. No. 2364, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2364, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Meyer.

SCRep. 87-08 Economic Development & Business Concerns on H.B. No. 2267

The purpose of this bill is to improve the protest procedure in the Hawaii Public Procurement Code by:

- (1) Prohibiting the Chief Procurement Officer from delegating the authority to resolve protested awards;
- (2) Allowing protesting parties to recover attorney's fees if they prevail; and
- (3) Transferring review of procurement determinations from the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs to the Ombudsman.

The State Procurement Office recommended that the bill be held. The Office of the Ombudsman could not support the bill in part. The County of Hawaii Department of Finance opposed the bill.

Your Committee believes that there is value in continuing the discussion of this measure, which seeks to increase the openness and fairness of the procurement process. Your Committee would like to see dialog on this subject continue, and has amended this measure 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. 2267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2267, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee. (Representatives Ching and Marumoto voted no.)

SCRep. 88-08 Economic Development & Business Concerns on H.B. No. 2860

The purpose of this bill is to create a fairer market for Hawaii's inter-island airlines by exempting sales of aviation fuel to be used by a common carrier in interstate air transportation from the general excise and use taxes.

Aloha Airlines, March of Dimes, Hawaii Chapter, Transport Workers Union, International Association of Machinists and Aerospace Workers District 141, and Aloha Airlines Pilots' Union testified in support of this bill. The Department of Business, Economic Development, and Tourism and Hawaiian Airlines supported the intent of this bill. The Department of Taxation and State Attorney General commented.

Under federal law, all common carriers in the United States, including Hawaii's inter-island airlines, are considered to be interstate carriers. They are therefore regulated by the same federal laws and rules as other interstate carriers. Hawaii law exempts "interstate" carriers from the general excise and use taxes on aviation fuel sold from the Hawaii Foreign Trade Zone. However, Hawaii denies the exemption to inter-island carriers and does not recognize the federal interstate classification.

This measure would allow interisland carriers to receive the general excise and use tax exemption on aviation fuel, and reduce the tax burdens of our local carriers and of the consumers of their services.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2860, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2860, H.D. 1, and be referred to the Committee on Transportation.

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

SCRep. 89-08 Economic Development & Business Concerns on H.B. No. 2891

The purpose of this bill is to reduce economic dislocation and social instability in Hawaii's communities by developing a state land use plan that takes economic development into account, and provides development incentives for planned major economic development zones.

The Office of Planning supported the intent of this bill. The Honolulu City and County Department of Planning and Permitting submitted comments.

Your Committee finds that the land use planning called for in this bill would help to guide this state toward a better future for our citizens. However, your Committee defers to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs, which is better suited to address the issues raised by this measure.

Your Committee has amended this bill to encourage further discussion, by changing its effective date to July 1, 2034.

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. 2891, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 2891, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 90-08 Economic Development & Business Concerns on H.B. No. 2939

The purpose of this bill is to support efforts toward building an aerospace industry in Hawaii by continuing to provide funding for the Pacific International Space Center for Exploration Systems.

The University of Hawaii at Hilo, JAMSS America, Inc., The Boeing Company, Japan-U.S. Science, Technology and Space Applications Program, Hawaii Island Economic Development Board, SpacePartnerships.com, Enterprise Honolulu, and several concerned individuals supported this bill. The Department of Businesses, Economic Development and Tourism supported the intent of this bill.

To encourage further discussion of this measure, your Committee has replaced the \$720,000 appropriation with a blank amount. Technical, nonsubstantive amendments were made 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 H.B. No. 2939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2939, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 91-08 Health on H.B. No. 2022

The purpose of this bill is to improve the chances for success in our educational system for children who may have undiagnosed developmental disabilities by providing a means for a child to be screened prior to the start of the child's first entry into preschool or elementary school, to:

- (1) Ensure diagnosis, referral, correction or treatment; and
- (2) Integrate the efforts of community and state organizations related to screening.

The Department of Education, Hawaii State Council on Developmental Disabilities, Good Beginnings Alliance, Hawaii State Teachers Association, and a concerned individual supported this bill. The Department of Health and Hawaii Optometric Association supported the intent of this measure.

Your Committee finds that the creation of an early childhood screening program will provide necessary developmental screening and assessment that will detect deficiencies and provide corrections before they hinder a child's ability to function in school. This initiative will build upon the work done by the Screening Task Force (Task Force), established pursuant to Senate Concurrent Resolution No. 70, H.D. 1, 2006. The Task Force submitted its finding in a report prior to the beginning of this legislative session.

Your Committee has amended this bill by:

- (1) Inserting a provision to fund the implementation of a hearing and vision screening program for newborns, pre-kindergartners, and children in school grades three, five, eight, and eleven; 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. 2022, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2022, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 92-08 Public Safety & Military Affairs on H.B. No. 2464

The purpose of this measure is to:

- (1) Require forest and wildlife managers to declare hazardous fire areas during fire danger periods and impose restrictions on the use of certain land for which the Department of Land and Natural Resources has direct fire responsibility; and
- (2) Establish a task force to develop a statewide hazardous fire area program.

The Hawaii Wildfire Management Organization submitted testimony in support of this measure. The Department of Land and Natural Resources submitted testimony in opposition.

Your Committee finds that this measure will help mitigate the risk of fires during periods of weather when the threat of fire is particularly dangerous on land by requiring a forest and wildlife manager to impose restrictions, such as the prohibition of burning or use or possession of fireworks, on lands for which the Department of Land and Natural Resources has direct responsibility. In addition, it establishes a

task force to develop a statewide program that would enable the fire chief of each county to declare hazardous fire areas during fire danger periods and on any public or private property adjoining lands that the Department of Land and Natural Resources has direct fire protection responsibility.

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. 2464 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. (Representative Finnegan voted no.)

SCRep. 93-08 Public Safety & Military Affairs on H.B. No. 2608

The purpose of this bill is to create a separate forensic treatment facility within each of the State's community correctional centers.

This is intended to prevent detainees and inmates with severe mental illnesses from being housed with the general prison population. The bill also prohibits the Department of Public Safety from putting a committed person with mental illness in solitary confinement.

Your Committee finds that mentally ill individuals in prison are more likely to be under-treated or receive no mental health treatment services at all. Your Committee further finds that the federal Department of Justice has raised concerns over practices at the Oahu Community Correctional Center that are harmful to mentally ill and suicidal inmates.

The Community Alliance on Prisons and a concerned citizen submitted testimony in support of this measure. 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 H.B. No. 2608 and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by all members of the Committee. (Representatives Finnegan and Pine voted no.)

SCRep. 94-08 Public Safety & Military Affairs on H.B. No. 3186

The purpose of this measure is to deter frivolous prisoner litigation and to require prisoners, if financially able, to pay the required filing fees for any litigation filed in state courts.

In addition, the measure allows a prisoner to proceed in forma pauperis upon submission of a certified statement of the prisoner's financial assets for the previous six months and an affidavit or declaration of the prisoner's inability to pay. The measure also requires a prisoner who has had four or more in forma pauperis civil actions or appeals dismissed by any state or federal court as frivolous, as malicious, or for failure to state a claim to pay the full filing fee in advance for any further civil actions during the time the prisoner remains incarcerated. The measure provides for an exception if the prisoner is in imminent danger of serious physical, mental, or emotional injury and allows the prepayment requirement to be waived at the discretion of the court in the interest of justice.

Your Committee received testimony in support of this measure from the Department of Public Safety. Testimony in opposition was received from the American Civil Liberties Union of Hawaii, the Community Alliance on Prisons, and a concerned individual.

Your Committee finds that requiring prisoners to pay for the civil lawsuits they file in state courts, to the extent they are able, will limit the number of frivolous filings in a manner similar to the way frivolous filings in federal court declined after adoption of the federal Prison Litigation Reform Act. At the same time, these requirements have not prevented the filing in federal courts of legitimate claims.

Your Committee urges the Committee on Judiciary to consider whether there are any legal or state constitutional limitations that would preclude adoption and enforcement of this legislation.

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. 3186 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 95-08 Public Safety & Military Affairs on H.B. No. 2212

The purpose of the measure is to give each county the flexibility to adopt more stringent restrictions on the sale and use of fireworks or articles pyrotechnic.

Specifically, the measure allows counties to enact ordinances or rules more restrictive than state regulations of fireworks or articles pyrotechnic, as set forth in chapter 132D, Hawaii Revised Statutes, while ensuring that counties do not adopt rules that are less restrictive.

Testimony in support of this measure was received from the Mayor of the County of Hawaii, the Fire Chief of the Hawaii Fire Department, and the President of the Puako Community Association.

Your Committee recognizes that each county faces unique and changing situations, such as drought, other environmental conditions, cultural sensitivity to the role of fireworks in the State, and public safety concerns. By allowing each county to adopt more stringent fireworks restrictions based upon community needs, this measure promotes effective policy-making while protecting public safety.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2212 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. (Representatives Sonson, Souki, Takamine and Finnegan voted no.)

SCRep. 96-08 Energy & Environmental Protection on H.B. No. 2168

The purpose of this bill is to allow Hawaii to use hydrogen as a source of electricity and transportation fuel by authorizing the issuance of \$50,000,000 in special purpose revenue bonds to assist H2 Technologies, Inc., to construct a hydrogen generation appliance research, development, and manufacturing facility and laboratory and a gasoline- or diesel-to-hydrogen automobile conversion garage on the island of Hawaii.

The High Technology Development Corporation, Hawaii Island Economic Development Board, H2 Technologies, Inc., and a concerned individual testified in support of this bill.

Your Committee finds that Hawaii's dependence on imported petroleum makes the state vulnerable to oil embargos, supply disruptions, international market dysfunctions, and many other factors that are foreseeable and unforeseeable and beyond the State's control. This down-side expense can be voided by increasing and fortifying Hawaii's energy portfolio. The potential of hydrogen fuel and technology, coupled with Hawaii's abundant renewable energy resources, in addition to its employment and environmental collateral benefits, make hydrogen an energy resource deserving of state support.

The hydrogen generator to be developed by H2 Technologies, Inc., and the conversion of automobiles to hydrogen fuel, will help propel our state into a clean, self-sufficient, independent, and renewable energy economy.

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. 2168 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. 97-08 Tourism & Culture on H.B. No. 2351

The purpose of this bill is to honor our nation's rich legacy in Pacific aviation and enrich Hawaii's visitor industry by appropriating \$1,000,000 for fiscal year 2008-2009 for phase 2 of the Pacific Aviation Museum at Pearl Harbor (Museum).

The Museum, Military Affairs Council of The Chamber of Commerce of Hawaii, and numerous concerned individuals supported this bill. The Department of Defense supported the intent of this measure. A concerned individual submitted comments.

Your Committee recognizes the significant benefits that may be realized from the establishment of the Museum. The Museum has the potential to provide a boost to our visitor industry, adding to Hawaii's reputation as a unique, world-renowned travel destination. The Museum also has the potential to educate visitors and residents alike regarding the history of Hawaii, and the U.S., with respect to Pacific naval aviation, including World War II.

In light of its value as an educational resource, your Committee encourages the Museum to develop and implement factual and culturally sensitive projects and exhibits in the Museum. The Museum is further encouraged to work with other local and state departments and agencies to integrate relevant factual information into the Museum's curricula to ensure the historical accuracy of its exhibits and programs. Finally, your Committee encourages the Museum to incorporate local heroes and historical figures as part of the Museum's programs and activities, including its guest speakers list.

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. 2351 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 98-08 Tourism & Culture on H.B. No. 2373

The purpose of this bill is to preserve the grounds of the Mookini Heiau by appropriating \$150,000 to install a full sprinkler system to cover the grassy area of the Mookini Heiau, and the nearby Kamehameha birthsite.

Mo'okini Luakini, Inc., supported the intent of this bill. The Department of Land and Natural Resources submitted comments.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2373 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 99-08 Tourism & Culture on H.B. No. 2372

The purpose of this bill is to streamline the regulation of time share plans by exempting from the time share law:

- (1) The offer or sale of an additional interest in a time share plan to an existing purchaser in the same time share plan, provided that certain conditions are met; and
- (2) The offer or sale by a developer, in Hawaii, of a time share interest in a time share plan located outside of Hawaii to an individual who currently owns a time share interest that was purchased from the developer, or the developer's affiliates, provided that certain requirements are met.

Marriott International, Inc., Group RCI, and Wyndham Worldwide supported this bill. ARDA-Hawaii supported the intent of this bill. The Department of Commerce and Consumer Affairs submitted comments.

Upon further consideration, your Committee has amended this measure by changing its effective date to July 1, 2025, to encourage further discussion. Other technical, nonsubstantive amendments were made 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. 2372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2372, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 100-08 Tourism & Culture on H.B. No. 2587

The purpose of this bill is to support the implementation of the creativity academies program for Hawaii's students by appropriating \$1,629,474 for fiscal year 2008-2009, including equipment, training, hiring of instructors, and marketing for a creative or production center incubator and for the development of a turnkey digital media program.

The Department of Education, Department of Business, Economic Development, and Tourism, University of Hawaii, Ulua Media, Hawaii Student Television, and several concerned individuals supported this bill.

Upon further consideration, your Committee has amended this measure to promote further discussion by changing:

- (1) The appropriation amount to an unspecified amount;
- (2) The fiscal year for the appropriation to an unspecified fiscal year; and
- (3) Its effective date to July 1, 2025.

Other technical, nonsubstantive amendments were made 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. 2587, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2587, H.D. 1, and be referred to the Committees on Education and Higher Education.

Signed by all members of the Committee.

SCRep. 101-08 Tourism & Culture on H.B. No. 3067

The purpose of this bill is to assist in the establishment of a local creative center incubator by appropriating \$500,000 for fiscal year 2008-2009, including the equipping, training, marketing, and hiring of instructors and consultants to assist artists, cultural practitioners, digital media artists, filmmakers, and other creative endeavors in a collaborative environment.

The Department of Business, Economic Development, and Tourism and several concerned individuals supported this bill.

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

- (1) Clarifying, in the purpose section, that the creative center incubator shall expand to include neighbor island professionals and visiting industry experts by a certain unspecified date;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing its effective date to July 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 H.B. No. 3067, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3067, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee.

SCRep. 102-08 Tourism & Culture on H.B. No. 3428

The purpose of this bill is to recognize the significance of the Hawaiian language to our state by requiring the Department of Accounting and General Services to:

- (1) Develop a plan to have all signs in the State Capitol in both Hawaiian and English; and
- (2) Submit the plan, including proposed legislation if applicable, to the Legislature prior to the 2009 Regular Session.

The Representative of the Fifth Representative District supported this bill.

As this bill makes its way through the legislative process, your Committee respectfully requests future legislative efforts to consider whether an appropriation should be included in this measure.

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. 3428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3428, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 103-08 Tourism & Culture on H.B. No. 3348

The purpose of this bill is to provide additional financial resources to support historical preservation efforts by transferring a portion of the transient accommodations tax revenue currently deposited into the Tourism Special Fund to the Historic Preservation Fund.

National Trust for Historic Preservation, Historic Hawaii Foundation, Hawaii Theatre Center, Special Events Hawaii, and several concerned individuals supported this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Budget and Finance, Hawaii Tourism Authority, and Hawaii Hotel & Lodging Association opposed this bill. The Department of Business, Economic Development, and Tourism submitted comments.

Your Committee notes that public testimony for this bill indicated strong concerns regarding the diversion of Tourism Special Fund monies for the Historic Preservation Fund.

In light of these concerns, your Committee has amended this measure by deleting its contents and replacing it with a bill that:

- (1) Provides an appropriation of \$500,000 in general funds for the funding of the Hawaii Preservation Fund endowment; provided that no moneys shall be released until the appropriated amount is matched by an equal amount of private contributions to the Hawaii Preservation Fund endowment; and
- (2) Contains an effective date of July 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. 3348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3348, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 104-08 Tourism & Culture on S.B. No. 1035

The purpose of this bill is to honor Hawaii's Polynesian cultural roots by designating November 20 of each year as Makahiki Commemoration Day.

The Senator representing the Sixth Senatorial District, Hawaiian Political Action Council of Hawaii, and several concerned individuals supported this bill.

Upon further consideration, 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. 1035, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1035, 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.

SCRep. 105-08 Health on H.B. No. 2169

The purpose of this bill is to effectuate its title.

H.B. No. 2169 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. 2169, 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. 2169, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 106-08 Health on H.B. No. 2170

The purpose of this bill is to effectuate its title.

H.B. No. 2170 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Your Committee has amended this bill to provide the substantive contents of this 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. 2170, 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. 2170, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 107-08 Health on H.B. No. 2171

The purpose of this bill is to effectuate its title.

H.B. No. 2171 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. 2171, 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. 2171, H.D. 1.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 108-08 Energy & Environmental Protection on H.B. No. 3407

The purpose of this bill is to repeal the service station anti-encroachment laws.

The Department of Business, Economic Development, and Tourism and the Western States Petroleum Association supported this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3407 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 Saiki.

SCRep. 109-08 Energy & Environmental Protection on H.B. No. 3079

The purpose of this bill is to clarify the administration and use of moneys supporting energy-efficiency and demand-side management programs and services. Among other things, this bill clarifies that moneys collected by the public utilities through demand-side management surcharges will not be transferred to the Public Utilities Commission (PUC) and be subject to legislative appropriations. Instead, the moneys, to be known as public benefit fees, will be transferred to a third-party administrator and expended on various energy-efficiency and demand-side management programs and services.

This bill also authorizes the State to participate in any energy-efficiency and demand-side management programs and services offered by the third-party administrator.

The Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and Hawaii Solar Energy Association 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3079 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 Saiki.

SCRep. 110-08 Energy & Environmental Protection on H.B. No. 2811

The purpose of this bill is to appropriate funds to the Energy Systems Development Special Fund (Special Fund) for the Hawaii Natural Energy Institute (Institute), which is tasked to, among other things, conduct research and development of renewable sources of energy and deploy efficient energy end-use technologies.

A member of the Hawaii County Council, Hawaii Renewable Energy Alliance, ClearFuels, and Hawaii BioEnergy LLC, testified in support of this bill. The University of Hawaii System and a concerned individual provided comments.

Act 253, Session Laws of Hawaii 2007 (Act 253), statutorily established the Institute at the University of Hawaii at Manoa. Act 253 also established the Special Fund to be administered by the Institute for the purpose of developing an integrated approach and portfolio management of renewable energy and energy efficiency technologies that will reduce Hawaii's dependence on fossil fuels and other imported energy resources and move Hawaii toward energy self-sufficiency. Act 253's portfolio approach was designed to ensure that technologies selected for funding from the Special Fund are those most likely to get into the hands of state end-users as quickly as possible. However, no contracts specified in Act 253 were developed because Act 253 did not appropriate funds into the Special Fund.

Your Committee finds that the amount of \$10,000,000 is suggested for appropriation into the Special Fund.

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. 2811 and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 111-08 Energy & Environmental Protection on H.B. No. 3211

The purpose of this bill is to reduce the amount of fossil fuels used to generate electricity by providing an alternative to the reliance on electric clothes dryers. This bill allows the use of clotheslines by owners of privately-owned single-family residences or townhouses.

Sierra Club, Hawaii Chapter, and Windward Ahupuaa Alliance testified in support of this bill. Princeville at Hanalei Community Association opposed this measure.

This bill prohibits homeowner associations from preventing an owner from using a clothesline on the premises. However, it would allow reasonable regulation of the location of the clothesline to protect access to buildings and ensure safe evacuation from buildings.

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. 3211 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 Saiki.

SCRep. 112-08 Human Services & Housing on H.B. No. 3139

The purpose of this bill is to conform state law to current federal law that requires applicants and recipients of Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) to participate in work activities.

Specifically, this bill:

- (1) Replaces references to the Aid to Families with Dependent Children (AFDC) and Job Opportunities and Basic Skills Act (JOBS), with TANF and TAONF, and the First-To-Work Program, respectively; and
- (2) Repeals provisions relating to AFDC and JOBS.

The Department of Human Services 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. 3139 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. 113-08 Human Services & Housing on H.B. No. 3055

The purpose of this bill is to bring the Child Support Enforcement Agency (Agency) into compliance with federal law and improve Agency actions. Specifically, this bill:

- (1) Clarifies the requirements for notice to custodial parents of state income tax refund setoffs where medical support rights have been assigned to the State and the income tax refund setoffs are applied to amounts designated in the child support order for medical purposes;
- (2) Creates an assistant administrator position within the Agency to serve as the policy administrator and develop and implement comprehensive policy and planning documents to guide operations to successful outcomes, including federal performance reporting and interstate activities;
- (3) Allows the Agency, on its own behalf, to request a hearing, instead of having to wait for one of the parties to make a request;
- (4) Allows the Agency to sign proposed administrative orders when no request for hearing is received by the Agency;
- (5) Makes consistent the number of days a party has to request a hearing for actions initiated because of the federally required periodic review of Temporary Assistance for Needy Families cases, and for modification actions initiated at the request of one of the parties, both to 30 days; and
- (6) Transfers two temporary full-time equivalent positions from the County of Kauai to the Department of the Attorney General.

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. 3055 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. 114-08 Human Services & Housing on H.B. No. 2935

The purpose of this bill is to discourage fraudulent claims made to Department of Human Services (DHS) assistance programs by:

- (1) Creating an incentive for people to report fraudulent claims by providing a reward of the lesser of \$2,500, or ten percent of the amount awarded as restitution; and
- (2) Increasing the criminal penalties for committing fraud under public assistance programs.

This bill also appropriates funds for purposes of the reward program.

A concerned individual testified in support of this bill. DHS provided comments.

Your Committee has amended this bill by:

- (1) Limiting the award to \$100 for reporting a fraudulent claim;
- (2) Removing the five-year time limit to pay the reward;

- (3) Allowing DHS to contract with a third party to pay the rewards;
- (4) Authorizing DHS to create a special account to hold restitution moneys and to make payments under the reward program;
- (5) Removing the enhanced penalties of Class C and Class B felonies for fraudulently obtained public assistance exceeding \$300 and \$20,000, respectively;
- (6) Changing the effective date to July 1, 2009, to allow DHS time to implement the program; 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2935, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 115-08 Human Services & Housing on H.B. No. 3009

The purpose of this bill is to prevent domestic violence by:

- (1) Establishing minimum and maximum fines for abusing a family or household member;
- (2) Depositing the fines into the Department of Health's (DOH) Domestic Violence and Sexual Assault Special Fund (Special Fund); and
- (3) Expanding the Special Fund to include programs for batterers.

The Office of Hawaiian Affairs supported this bill with amendments. DOH, the Domestic Violence Action Center, and Hawaii State Coalition Against Domestic violence opposed this measure.

Your Committee notes that several testifiers preferred that the fines be used to assist victims of abuse and noted that the Judiciary has existing programs that provide spouse and child abuse intervention and prevention support and services. Your Committee respectfully requests that the Committee on Judiciary further examine issues related to the mandatory minimum and maximum fines proposed in this bill.

Accordingly, your Committee has amended this bill by depositing the fines into the Judiciary's Spouse and Child Abuse Special Account instead of the Special Fund. 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. 3009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3009, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 116-08 Human Services & Housing on H.B. No. 3321

The purpose of this bill is to require all annulment, divorce, and separation proceedings on Oahu to be held at 777 Punchbowl Street, unless the parties agree to a different location.

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

Your Committee has amended this bill by:

- (1) Requiring annulment, divorce, and separation proceedings on Oahu to be held at the Kapolei Judiciary Complex, unless all parties agree to hold proceedings at 777 Punchbowl Street; and
- (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. 3321, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3321, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram. (Representative Ward voted no.)

SCRep. 117-08 Human Services & Housing on H.B. No. 2657

The purpose of this bill is to protect consumers by creating a regulatory process for tenant screening agencies.

The Office of Hawaiian Affairs and Legal Aid Society of Hawaii testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure. The Department of Commerce and Consumer Affairs and Hawaii Civil Rights Commission provided comments.

Your Committee notes that it is not its intent for this legislation to diminish protections under the State's fair housing laws under Chapter 515, Hawaii Revised Statutes (HRS). Additionally, your Committee intends to request a sunrise analysis by way of a concurrent resolution.

Your Committee has amended this bill by:

- (1) Noting that this measure is not meant to authorize inquiries or allow consideration of information prohibited by Chapter 515, HRS, nor is it meant to diminish protections under Chapter 515, HRS;
- (2) Clarifying the definition of "prospective tenant report" to ensure that only information that can lawfully be considered under fair housing laws is used;
- (3) Removing language prohibiting the consideration of certain criminal records; 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. 2657, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2657, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 118-08 Human Services & Housing on H.B. No. 3107

The purpose of this bill is to protect Hawaii's real estate consumers by:

- (1) Requiring sellers to disclose whether a building or structure was built or improved under an owner-builder permit;
- (2) Clarifying that owner-builders must use licensed subcontractors when altering, improving, demolishing, or repairing any building or structure; and
- (3) Establishing penalties for owner-builders who fail to comply with these requirements.

The Contractors License Board, Office of Hawaiian Affairs, Subcontractors Association of Hawaii, Building Industry Association of Hawaii, Hidano Construction, Inc., Associated Builders and Contractors Hawaii, and a concerned individual testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing its effective date to November 1, 2008, to allow for standards forms to comply with the new 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3107, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Bertram and Ward. (Representative Cabanilla voted no.)

SCRep. 119-08 Human Services & Housing on H.B. No. 3363

The purpose of this bill is to protect the safety and well-being of students, teachers, and staff of public and private schools by:

- (1) Requiring the Family Court to notify a school official that a minor has been adjudicated to have committed a serious act of violence;
- (2) Establishing guidelines under which a school official may receive court records, including requiring these records to remain protected and confidential; and
- (3) Exempting school officials, principals, or designated teachers or counselors possessing the confidential information from liability.

The Department of Education and many concerned individuals testified in support of this bill. The Department of the Prosecuting Attorney supported the intent of this measure. The Judiciary and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Increasing the period of time the Family Court has to notify school officials of proceedings involving the minor from seven days to several weeks;
- (2) Requiring a school official to attend all hearings pertaining to the minor;
- (3) Holding school officials or personnel liable for release of confidential information through gross negligence or intentional acts; 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. 3363, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3363, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 120-08 Human Services & Housing on H.B. No. 2195

The purpose of this bill is to assist family caregivers by appropriating \$500,000 to the Kupuna Care Program to expand its services.

The Representative of the 19th District, Maui County Executive on Aging, Hawaii Chapter – American Physical Therapy Association, Catholic Charities Hawaii, Policy Advisory Board for Elder Affairs, Maui Economic Opportunity, Inc., Hale Mahaolu, and several concerned individuals testified in support of this bill. The Executive Office on Aging (EOA) and Hawaii Centers for Independent Living provided comments.

Your Committee notes that Act 204, Session Laws of Hawaii 2007, appropriated an additional \$525,000 to EOA for Kupuna Care services in fiscal year 2008-2009.

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. 2195, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2195, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 121-08 Transportation on H.B. No. 3377

The purpose of this bill is to promote safety on Hawaii's roadways by, among other things:

- (1) Requiring the installation of an ignition interlock device (ignition interlock), a device that prevents the starting or operating of the motor vehicle of a person with more than a minimal alcohol concentration, into the motor vehicle of a person who was arrested for driving under the influence of an intoxicant (DUII), while their case is pending and while their license is revoked;
- (2) Requiring the cost of the installation and maintenance of an ignition interlock to be borne by the defendant;
- (3) Establishing the Ignition Interlock Special Fund to be administered by the Department of Transportation (DOT) to fund the costs of installing and operating ignition interlock systems in vehicles of persons who are required to install these devices in their vehicles but who are indigent;
- (4) Changing the revocation period for a person whose record shows three or more prior alcohol enforcement or drug enforcement contacts during the five years preceding the date the notice of administrative revocation was issued, from lifetime revocation to a minimum of five years and a maximum of ten years;
- (5) Stipulating that a driver under the age of 18 who was arrested for DUII shall be subject to an additional penalty of being prohibited from driving during the period preceding the driver's eighteenth birthday, and shall be subject to the ignition interlock requirement until the license revocation is completed;
- (6) Allowing the issuance of permits authorizing the use of vehicles without ignition interlock devices if the operation of a vehicle is required for employment and stipulating when permits shall not be issued;
- (7) Requiring a one-year license revocation and installation of ignition interlock for a first DUII offense;
- (8) Increasing license revocation periods for highly intoxicated drivers and repeat DUII offenders;
- (9) Requiring the Department of Health (DOH) to establish standards and procedures for the certification of ignition interlocks and for vendors who install and maintain them;

- (10) Establishing the Hawaii Ignition Interlock Implementation Task Force (Task Force) to plan for the implementation of ignition interlock provisions contained in this bill and prepare reports and recommendations for the Legislature, including any additional proposed legislation to implement this program; and
- (11) Appropriating funds for the Task Force to carry out its responsibilities.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Mothers Against Drunk Driving HAWAII, Alliance of Automobile Manufacturers, GEICO, Property Casualty Insurers Association of America, Hawaii Automobile Dealers Association, and Beer Institute testified in support of this bill. DOT supported the measure with an amendment. DOH, the Office of the Public Defender, and Anheuser Busch Companies supported the intent of this bill. The Department of the Attorney General supported the intent of this bill but had a number of legal comments and concerns. The Judiciary submitted comments but supported the intent of ignition interlocks.

Hawaii had the second highest percentage of alcohol-related traffic fatalities in the nation in 2005. Sadly, it appears that this statistic worsened despite efforts to curb this type of behavior because in 2006, Hawaii's alcohol-related traffic fatality rate of 52 percent was the highest in the nation. 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 improvement.

In response to these alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 Legislative Session, calling for a working group to be formed to study the issue of ignition interlocks and make recommendations leading to legislation. This measure is a result of the initial work of this working group.

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. Your Committee believes that installation of this device on motor vehicles of individuals arrested for DUII would be one step toward stopping the senseless tragedies of alcohol-related traffic fatalities.

Although this measure takes a comprehensive approach to establishing and implementing an ignition interlock program in Hawaii, your Committee understands that this is a very complex issue that may require additional recodification of statutory language and still leaves many legal concerns and questions unanswered. However, this bill was intended to establish a framework upon which to build. Your Committee finds that the establishment of the Task Force to address many of these issues and concerns in addition to the length of time prior to the actual implementation of this legislation will allow Hawaii to deal with this important issue.

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. 3377 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Meyer.

SCRep. 122-08 Transportation on H.B. No. 3246

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.

The Honolulu Police Department (HPD), Street Bikers United Hawaii, and several concerned individuals testified in opposition to this bill. The Hawaii Transportation Association and Hawaii Motorcycle Dealers Association commented on this measure.

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.

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. However, the continuing number of complaints received regarding motor vehicle and moped noise necessitates further action and this measure deserves further consideration.

Accordingly, your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate 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. 3246, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3246, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Meyer.

SCRep. 123-08 Transportation on H.B. No. 3196

The purpose of this bill is to maintain one source of revenue stream for the State Highway Fund (FUND) by permanently increasing the rental motor vehicle surcharge tax to \$3 per day.

The Department of Transportation (DOT) and Department of Taxation supported this bill. Catrala-Hawaii supported the bill with amendments. The Tax Foundation of Hawaii submitted comments.

Act 223, Session Laws of Hawaii 1999, temporarily raised the motor vehicle rental surcharge tax from \$2.00 to \$3.00 per day to bolster lagging highway fund revenues during difficult economic times. Although the economy has generally improved since that time, FUND revenues have not kept pace with expenditures for the operation, maintenance, and construction of state highways. This is due in part to rising fuel costs and decreasing fuel consumption that has resulted in decreased fuel tax revenues. With recent economic indicators suggesting a softening economy, which in turn may lead to difficulty in the generation of revenues for the FUND, prudent action needs to be taken to maintain FUND revenue levels. According to DOT, the additional surcharge provides approximately \$14 million in annual revenues for the FUND and loss of this revenue stream will have a serious impact on Hawaii's highways.

However, when the surcharge was enacted, it was not meant to be permanent. Your Committee finds that other solutions must be found to meet the financial needs of the FUND and future needs for additional revenues. Accordingly, your Committee has amended this measure by:

- (1) Extending the \$1 increase in the rental motor vehicle surcharge tax for an additional year rather than making it a permanent increase;
- (2) Requiring DOT to conduct a review and study of the financial requirements of the FUND; and
- (3) Requiring DOT to report its findings, and proposed legislation for increasing revenue sources for the FUND to meet its ongoing and future needs, prior to the start of the Regular Session of 2009.

Other technical, nonsubstantive amendments have been made for consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3196, 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 McKelvey, Sonson and Meyer.

SCRep. 124-08 Transportation/Economic Development & Business Concerns on H.B. No. 2406

The purpose of this bill is to increase safety in school buses having a gross vehicle weight rating of more than 10,000 pounds by:

- (1) Requiring all school buses, whether purchased or contracted for use by the State, to:
 - (A) Be equipped with seat belt assemblies for all passenger seats; and
 - (B) Have seats with seat backs that are at least 24 inches high;
- (2) Prohibiting the issuance of certificates of inspection if the school bus does not meet the above requirements; and
- (3) Requiring the Department of Education (DOE) to adopt rules for the use of seat belts on school buses that include:
 - (A) Requiring the use of seat belts by pupils between the ages of four and twelve; and
 - (B) Appropriate disciplinary action for any pupil who fails to comply with the rules for using seat belts.

A concerned individual testified in support of this bill. DOE, Hawaii Association of Independent Schools, Hawaii Transportation Association, Hawaii School Bus Association, and Soderholm Sales and Leasing, Inc., testified in opposition to this measure.

Protecting the health and safety of Hawaii's children as they ride to and from school in school buses is important. In fact, because of its importance, the structural design of school buses includes what is known as "compartmentalization design"--protocols in the interior of the bus that contain strong, closely-spaced seats with energy-absorbing backs that form a protective envelope for a child. Although previous studies and crash test data have shown that seat belt use on a school bus may not offer added protection in a crash due to the use of "compartmentalization design", more recent studies and data appear to contradict this understanding.

Moreover, your Committees find that while the fatality rate for school buses is only .2 fatalities for every 100 million vehicle miles traveled as compared to 1.5 fatalities per 100 million vehicle miles traveled for cars, the protection of our children is an important issue that deserves further consideration.

Accordingly, your Committees have amended this bill by changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation 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. 2406, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2406, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representatives Luke, McKelvey, Sonson, Takumi, Meyer and Pine.

SCRep. 125-08 Economic Development & Business Concerns on H.B. No. 3101

The purpose of this bill is to keep Hawaii, one of the world's leading captive insurance jurisdictions, competitive in the world market, by allowing Hawaii-licensed captive insurance companies to pursue the growing demand for the securitization of insurance risks.

The Department of Commerce and Consumer Affairs, Artex Risk Solutions, Inc., and Willis Management (Hawaii) testified in support of this measure.

Securitization is a financing process that allows a company to obtain current funding from illiquid assets that cannot be readily sold. Large national and international insurance companies use securitization organizations to issue securities to obtain capital for their operations and reserves. The transactions involved fall within the multi-million to billion dollar range and may be used for purposes such as transferring catastrophic risks to the securities market.

Hawaii, as the second largest captive domicile in the nation, and tenth in the world in the very competitive captive market, has developed the expertise necessary to oversee the complex transactions involved in the securitization of insurance risks. This measure would enable Hawaii to respond to the strong demand for securitization by domestic life insurers by authorizing the formation and regulation of special purpose financial captive insurance companies.

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. 3101 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 126-08 Economic Development & Business Concerns on H.B. No. 2253

The purpose of this bill is to update the liquor laws of this state by:

- (1) Making clarifications consistent with Liquor Commission interpretations of the law;
- (2) Recognizing the existence of new business structures such as limited liability partnerships; and
- (3) Making other changes to facilitate the effective administration and enforcement of the law by the Liquor Commission.

The County of Hawaii Department of Liquor Control submitted testimony 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2253, 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 and Ching.

SCRep. 127-08 Economic Development & Business Concerns on H.B. No. 2228

The purpose of this bill is to help build the economies of our island communities by appropriating \$500,000 to be used by the Hawaii Community-Based Economic Development Technical and Financial Assistance Program to be distributed as loans and grants to cooperative associations and nonprofit organizations for community based economic development activities.

Hawaii Alliance for Community-Based Economic Development, God's Country Waimanalo, Empower Oahu, Empower Waimanalo, Kona Pacific Farmers Cooperative, Hawaii Co-op of Organic Farmers, and several concerned individuals submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Inserting language recommended by DBEDT, appropriating funds out of the Hawaii Community-Based Economic Development Revolving Fund;
- (2) Changing the effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2228, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 128-08 Economic Development & Business Concerns on H.B. No. 2259

The purpose of this bill is to support aerospace development in Hawaii by appropriating funds for a feasibility study, consultation, and other expenses that will be incurred in making application to the Federal Aviation Administration for a commercial space transportation license.

The Hawaii Island Economic Development Board, Enterprise Honolulu, Zero Gravity Corporation, Rocketplane Global and several concerned individuals testified in support of the bill. The Department of Business, Economic Development, and Tourism supported the intent of the bill.

To allow further discussion of the measure, your Committee replaced the \$500,000 appropriation with a blank amount.

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. 2259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2259, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 129-08 Economic Development & Business Concerns on H.B. No. 2395

The purpose of this bill is to develop and strengthen the innovation sector of Hawaii's economy by:

- (1) Establishing the Hawaii Innovation Development Corporation (HIDC);
- (2) Establishing an Innovations and Inventions Revolving Fund; and
- (3) Making an appropriation into the fund, to be expended by the HIDC to develop and exploit innovations and inventions that have direct economic benefits for Hawaii.

The Professional Inventors Alliance and a concerned individual supported this bill. UNITE HERE! Local 5 and the High Technology Development Corporation supported the intent of this measure. The Department of Budget and Finance did not support this bill. Comments were provided by the Office of Information Practices.

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. 2395, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2395, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 130-08 Economic Development & Business Concerns on H.B. No. 2415

The purpose of this bill is to help small businesses move their innovative ideas and new technology from concept to commercialization by improving the High Technology Development Corporation (HTDC) matching grant program. Specifically, this bill:

- (1) Removes the \$25,000 cap on matching grants to allow grants of up to 50 percent of moneys awarded to a small business by the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs;
- (2) Replaces the preference for STTR and SBIR awardees who have received an award for the first time in a fiscal year and who may be multiple grant recipients, with a preference for first-time-ever SBIR and STTR awardees; and
- (3) Allows HTDC to use its discretion as to whether it will request a transfer of funds from the Hawaii Capital Loan Revolving Fund when funds appropriated for grants do not satisfy all qualified requests.

HTDC and the Hawaii Aquaculture Association supported this bill. The Department of Business Economic Development, and Tourism supported the intent of this measure.

The HTDC matching grant program provides matching grants to small businesses who have been awarded federal SBIR and STTR Phase I awards, which allow businesses to explore the technical merit and feasibility of promising ideas or technology. When the matching grant program was created 19 years ago, the SBIR Phase I award was \$50,000, and the state matching grant maximum was \$25,000, or 50 percent of the SBIR award. Currently, SBIR Phase I awards average \$100,000 or more.

This measure removes the \$25,000 limit on grants for SBIR Phase I awardees, again allowing the maximum matching grant to be 50 percent of the SBIR award. The \$25,000 limit has also been removed for STTR awards, while the grant limit of 50 percent of the STTR award has been retained.

Your Committee has amended this bill by changing its 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. 2415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2415, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 131-08 Economic Development & Business Concerns on H.B. No. 2473

The purpose of this bill is to accelerate the deployment of new advanced communications technologies in Hawaii by appropriating funds for fiscal year 2008-2009 to allow the Broadband Task Force (Task Force) to continue its work.

A member of the Task Force supported this bill. The Cable Television Division of the Department of Commerce and Consumer Affairs and the High Technology Development Corporation supported the intent of the measure.

Advanced broadband services are an essential infrastructure for an innovative, knowledge-based society and economy. To accelerate development and adoption of the infrastructure for these services in Hawaii, the Legislature established the Task Force in 2007. The funds provided by this bill will allow the Task Force to continue its efforts and develop a set of recommendations to be considered by the Legislature during the 2009 Regular Session.

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

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2473, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 132-08 Economic Development & Business Concerns/Agriculture on H.B. No. 2417

The purpose of this bill is to strengthen Hawaii's agriculture industry by initiating planning by the Agribusiness Development Corporation (ADC), for a statewide agricultural cooperative to be established by July 1, 2009.

ADC and Maui County Farm Bureau supported the intent of this bill. Comments were provided by the Department of Business, Economic Development, and Tourism, and the Hawaii Department of Agriculture (HDAG).

Your Committee heard testimony that ADC, while having the expertise for this project, would lack the resources needed to support the project. Upon further reflection, your Committee has amended this measure by:

- (1) Transferring responsibility for planning the formation of a statewide agricultural cooperative from ADC to HDAG;
- (2) Changing the effective date to July 1, 2034, 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 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. 2417, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2417, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 133-08 Economic Development & Business Concerns/Agriculture on H.B. No. 2739

The purpose of this bill is to support the growth of Hawaii's agriculture industry by amending the enterprise zones (EZ) law to recognize the unique challenges faced by this industry and allow more farmers to qualify for EZ tax incentives. Specifically, this bill:

- (1) Provides continued EZ eligibility for farmers whose businesses are damaged by natural disasters, i.e., "force majeure events," and extends the seven-year eligibility period for the duration of the loss;
- (2) Allows business engaged in processing agricultural products to qualify for EZ incentives;
- (3) Recognizes as full-time employees, employees hired under leased employee and joint employment hiring practices that allow the agriculture industry to cope with seasonal workforce needs and worker shortages;
- (4) Changes the timing of employee increases required for businesses in an area that becomes an EZ, but not the total number of new employees required, to ten percent in the first year, followed by 15 percent increases during the fourth through seventh years of operation;

- (5) Allows agricultural businesses to count retail sales of value-added products made from crops grown within the EZ, towards the minimum 50 percent of gross receipts from business within the zone needed to qualify for EZ incentives; and
- (6) Provides that an agricultural business' retail sales do not qualify for the EZ general excise tax exemption for gross business receipts.

The Hawaii Agricultural Research Center, Hawaii Crop Improvement Association, and Hawaii Farm Bureau Federation supported this bill. The Department of Business, Economic Development, and Tourism, Hawaii Department of Agriculture, Hawaii Aquaculture Association and a concerned individual supported the intent of this measure. The Department of Taxation submitted comments.

Your Committee finds that currently there are more than 5,500 farms in Hawaii, but as of 2006, only 44 participated in the EZ program. In 2005 only 12 of these 44 qualified for benefits. This bill would allow more farmers to participate in EZ benefits by adjusting EZ qualification criteria to recognize some of the unique weather and employment challenges that agricultural businesses face.

Your Committee has amended this bill by:

- (1) Defining the term "force majeure event;"
- (2) Changing its effective date to July 1, 2034, 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 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. 2739, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2739, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 134-08 Higher Education on H.B. No. 2245

The purpose of this bill is to provide the University of Hawaii (UH) with the flexibility to generate additional revenue through alternative means to benefit the whole university, by authorizing the transfer of all UH funds, with the exception of general funds, into the University of Hawaii Commercial Enterprises Revolving Fund to finance the establishment of new enterprises.

UH testified in support of this bill.

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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2245, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 135-08 Higher Education on H.B. No. 2458

The purpose of this bill is to increase the participation of Hawaii taxpayers in the State's college savings program and to increase the program's assets to enable the State to obtain a lower program management fee, by providing a state income tax deduction for contributions made to the program in taxable years beginning after December 31, 2007.

The Department of Taxation and a concerned individual testified in support of this bill. The Department of Budget and Finance supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Specifying that married couples filing separate returns may claim an annual deduction of \$10,000, rather than \$20,000, from gross income for contributions to a college account in the College Savings Program Trust Fund; and
- (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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2458, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 136-08 Higher Education on H.B. No. 3226

The purpose of this bill is to improve the operations of the candidate advisory council for the University of Hawaii (UH) Board of Regents (Board), established pursuant to Act 56, Session Laws of Hawaii 2007, and therefore improve the governance of UH, by:

- (1) Clarifying that the name of the candidate advisory council is the "Regents Candidate Advisory Council" (Council);
- (2) Requiring a Board member, except the student member, to reside in the geographic area represented by the member;
- (3) Requiring the Governor to notify the Council of vacancies on the Board within ten days of receiving notification that a Board member is resigning or has died, or of removal by the Governor;
- (4) Requiring the submission of candidates within 60 days of a vacancy on the Board that arises by resignation, death, or removal by the Governor;
- (5) Clarifying that the Council is to submit the names of candidates to the Governor;
- (6) Making confidential all information required by the Council, including information obtained, reviewed, or considered before and after decision-making on the Council; and
- (7) Appropriating funds to establish a permanent administrative position for the Council.

The Regents Candidate Advisory Council testified in support of this bill. The Office of Information Practices offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the information to be kept confidential is information concerning potential candidates that is not of public record; provided that the information relating to a candidate who is appointed by the Governor shall be disclosed;
- (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 amendments to the purpose language.

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. 3226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3226, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 137-08 Public Safety & Military Affairs on H.B. No. 1062

The purpose of this bill is to provide educational opportunities to those who have chosen to protect our state and country by broadening the scope of law providing tuition assistance to Hawaii National Guard members attending the University of Hawaii.

The Department of Defense supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Specifying that commissioned and general officers may be awarded tuition assistance by the adjutant general;
- (2) Removing the appropriation provision; 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. 1062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1062, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Takumi.

SCRep. 138-08 Public Safety & Military Affairs on H.B. No. 2007

The purpose of this bill is to ensure reasonable pricing of goods inmates purchase from commissaries in correctional facilities for personal use, such as sundries, hygiene products, food, and other items that are not provided for them by the facility they are confined to by requiring the Auditor to:

- (1) Conduct a financial and management audit of:
 - (A) The operations of the Department of Public Safety's (DPS) commissaries at state correctional facilities; and
 - (B) The commissary operations of out-of-state contracted correctional facilities where Hawaii inmates are confined;

and

- (2) Submit a report of its findings and recommendations relating to the local and out-of-state operations of the commissaries to the Legislature prior to the convening of the 2009 Regular Session.

DPS opposed this bill.

Your Committee has amended this bill by:

- (1) Requiring the Auditor to carry out performance audits of each private prison on the mainland contracted to house Hawaii prisoners with regard to the issues of delivery of services, visitation, and DPS's monitoring of those contracts;
- (2) Requiring the Auditor to submit a report of its finding and recommendations relating to the private mainland prisons to the Legislature prior to the convening of the 2009 Regular Session;
- (3) Appropriating an unspecified amount of funds to conduct the performance audits;
- (4) Changing the effective date to July 1, 2008; 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. 2007, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2007, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 139-08 Public Safety & Military Affairs on H.B. No. 2147

The purpose of this bill is to provide incentives for inmate rehabilitation by establishing an earned-time program to allow inmates who make consistent progress in completing rehabilitative programs eligible for parole.

The Community Alliance on Prisons and a concerned individual supported this bill. The Hawaii Paroling Authority, Department of the Attorney General and City and County of Honolulu's Department of the Prosecuting Attorney opposed this bill. The Department of Public Safety provided comments.

Your Committee finds that it is important to provide inmates with proper incentives to work toward rehabilitation and reentry to the community. However, while other states have also used similar incentive programs as provided by this bill, your Committee respectfully requests the Committee on Judiciary to examine the effects this may have on the victims of the inmates who would benefit from incentive programs.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 140-08 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on H.B. No. 2828

The purpose of this bill is to address the problem of alien algae which threaten the fragile reef ecosystem by appropriating funds for:

- (1) The full-time operation of the Super Sucker in Kaneohe Bay on Oahu; and
- (2) The acquisition of a portable Junior Super Sucker for use in remote locations such as Maunaloa Bay on Oahu, Hilo Bay on Hawaii, and North Kihei on Maui.

The Nature Conservancy, Hawaii Nearshore Fishermen, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported the intent of this measure.

Your Committees find that the Super Sucker, developed in a joint effort by the DLNR Division of Aquatic Resources, University of Hawaii, and The Nature Conservancy, has proven to be an effective tool in removing alien algae from coral reefs in Kaneohe Bay. Using effective tools such as the Super Sucker and Junior Super Sucker is essential in protecting Hawaii's fragile reef ecosystem.

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 H.B. No. 2828 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 141-08 Education on H.B. No. 2457

The purpose of this bill is to:

- (1) Allow the principal of each public school to establish and use a debit card system based at the individual school level for the purpose of purchasing school supplies and other related curriculum supplies; and
- (2) Appropriate funds for the implementation of such debit card system.

The representative from the 27th representative district and a concerned individual testified in support of this bill. The Hawaii State Teachers Association supported the intent this measure. The Department of Education opposed this bill.

Your Committee finds that whether a debit card system or some other system is implemented, there should be a mechanism in place for teachers to pay for much-needed classroom supplies, rather than out of their own pockets.

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. 2457 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, Shimabukuro and Ching.

SCRep. 142-08 Education on H.B. No. 2547

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 Maui Preparatory Academy in financing or refinancing the planning and construction of its educational facilities in the State of Hawaii.

The Hawaii Association of Independent Schools and Maui 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. 2547 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, Shimabukuro and Ching.

SCRep. 143-08 Education on H.B. No. 2614

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$30,000,000, to assist Island Pacific Academy in financing the planning and construction of its educational facilities in the State of Hawaii.

The Hawaii Association of Independent Schools and Island Pacific 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. 2614 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, Shimabukuro and Ching.

SCRep. 144-08 Education on H.B. No. 2660

The purpose of this bill is to support athletic programs in Hawaii's public schools by appropriating funds as follows:

- (1) \$56,000 for a permanent, full-time athletic director position at Anuenue School;
- (2) \$500,000 for athletic equipment and supplies for school athletic programs;
- (3) \$500,000 for transportation for school athletic programs; and
- (4) An unspecified amount of funds for athletic programs to meet requirements for gender equity for females in sports in the schools.

The Department of Education, Athletic Directors and Coaches Association, and the principal and athletic director of Anuenue School testified in support of this bill.

Your Committee notes that funds for the aforementioned items are not available through the weighted student formula.

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. 2660 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, Shimabukuro and Ching.

SCRep. 145-08 Education on H.B. No. 2971

The purpose of this bill is to expand online learning opportunities for students across the state by requiring the Department of Education (DOE) to implement the recommendations of the Online Learning Task Force (Task Force).

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

Your Committee notes that an appropriation is necessary to implement the Task Force's recommendations, but will defer the decision on inserting an appropriation to the Committee on Finance, as the budget will determine whether or not funds are available.

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. 2971 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, Bertram, Saiki and Ching.

SCRep. 146-08 Education on H.B. No. 3219

The purpose of this bill is to recognize the increased role and responsibility of the Board of Education (BOE) in policymaking and oversight over our public schools and public libraries by:

- (1) Increasing the compensation rate for BOE members from \$100 to \$200 per day for each day's actual attendance at meetings;
- (2) Allowing BOE members to receive personal expenses at rates specified by the board while attending board meetings or while on official business as authorized by the board chairperson;
- (3) Establishing a protocol allowance to cover expenses incurred in the course of a member's duty and responsibilities; and
- (4) Appropriates funds for these purposes.

BOE testified in support of this bill. The Department of Budget and Finance opposed this measure.

Your Committee has amended this bill by:

- (1) Excluding ad hoc committee meetings and community meetings from those meetings for which BOE members are allowed compensation, expenses, or allowances; and
- (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. 3219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3219, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 147-08 Education on H.B. No. 3220

The purpose of this bill is to clarify the significant role of the Board of Education (BOE) in policymaking for charter schools and the delegated role of the Charter School Review Panel (Panel) in charter school authorization and oversight by:

- (1) Authorizing BOE to remove any member of the Panel as may be necessary;
- (2) Specifying that the organizational viability of a charter school includes compliance with all BOE policies;
- (3) Requiring the Panel to be subject to Chapter 92, Hawaii Revised Statutes, relating to public agency meetings and records.

BOE testified in support of this bill. Kamehameha Schools supported the intent of this measure. The Hawaii Down Syndrome Congress supported this bill with amendments.

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. 3220 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, Bertram, Saiki and Ching.

SCRep. 148-08 Health on H.B. No. 2141

The purpose of this bill is to reduce the incidence of cervical cancer among Hawaii's female youth caused by the sexually transmitted human papillomavirus. This bill appropriates unspecified sums to establish a program to:

- (1) Develop and provide free educational information to parents of female public school sixth graders on human papillomavirus vaccines that prevent cervical cancer; and
- (2) Make human papillomavirus immunizations available to these students.

The Department of Health supported the intent 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 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. 2141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2141, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 149-08 Health on H.B. No. 2015

The purpose of this bill is to ensure access to quality health care by prohibiting health plans from requiring prior authorization for persons to receive general obstetric / gynecological (OBGYN) services or treatment for hepatitis C.

The Hawaii Association of Health Plans opposed this bill. The Department of Commerce and Consumer Affairs and Hawaii Medical Service Association submitted comments.

Your Committee wishes to clarify that the provisions of this bill are strictly to ensure a woman access to routine OBGYN care and are not meant in any way to include abortion procedures.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2015, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 150-08 Health on H.B. No. 2413

The purpose of this bill is to address the serious crisis in the provision of medical services to the poor and uninsured in medically underserved areas of the state by creating an income tax credit equal to 50 per cent of a physician's medical malpractice insurance rates for physicians who start a new practice in medically underserved areas of the state and five percent for physicians currently serving in these areas.

The Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, Hawaii Pacific Health, and several residents of the University of Hawaii's Department of Psychiatry Residency Training Program supported this bill. The Hawaii Medical Association and Consumer Lawyers of Hawaii supported the intent of this measure. The Department of Taxation, Board of Medical Examiners, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by lowering the requirement that the taxpayer derive 50 percent of total income from Medicaid and QUEST reimbursements to 20 percent to be eligible for the tax credit.

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. 2413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2413, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 151-08 Health on H.B. No. 2569

The purpose of this bill is to encourage shared efforts between primary care physicians and psychiatrists to help psychiatric patients receive more effective treatment by establishing a psychiatric health services pilot project to introduce an integrated behavioral model at the Bay Clinic, West Hawaii Community Health Center, and other federally qualified community health centers on the island of Hawaii to enable:

- (1) Psychiatrists to collaborate with primary care physicians; and
- (2) A mental health team to provide patients with necessary mental health care.

The Hawaii Psychiatric Medical Association, Psychiatric Access Collaboration, Hawaii Centers for Independent Living, Hawaii Primary Care Association, Bay Clinic, Inc., NAMI Hawaii, and several concerned individuals supported this bill. The Department of Health submitted comments.

Your Committee has amended this bill by:

- (1) Inserting an appropriation amount of \$300,000;
- (2) Ensuring that this bill will not duplicate any projects created by H.B. No. 3146 if that bill becomes law; 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. 2569, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2569, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 152-08 Health on H.B. No. 3146

The purpose of this bill is to make an emergency appropriation of \$10,000,000 from general funds to the Department of Health (DOH) for fiscal year 2007-2008 for ongoing services provided by DOH's adult mental health division.

DOH, Hawaii Psychiatric Medical Association, and Hawaii Substance Abuse Coalition supported this bill.

Your Committee has amended this bill by:

- (1) Inserting provisions establishing a three-year psychiatric health services pilot project within DOH's adult mental health division;
- (2) Increasing the appropriation to \$10,300,000; 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. 3146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3146, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 153-08 Education on H.B. No. 2435

The purpose of this bill is to include special needs preschoolers in general education preschool programs by:

- (1) Requiring the Quality Early Education Plan to include opportunities for special needs preschoolers who are between three to five years old to interact with their non-disabled peers;
- (2) Requiring the Department of Education (DOE) and the Department of Human Services (DHS) to consider certain specified options in their efforts to include special needs preschoolers in general education preschool programs; and
- (3) Appropriating an unspecified amount of funds to increase opportunities for interaction between special needs preschoolers and their non-disabled peers.

The Hawaii State Teachers Association and Hawaii Centers for Independent Living testified in support of this bill. DOE, DHS, and the State Council on Developmental Disabilities supported the intent of this measure. The Hawaii Down Syndrome Congress offered comments.

Your Committee has amended this bill by:

- (1) Specifying that a special education-eligible student may receive special education and related services in a private preschool program;
- (2) Clarifying that special education personnel may provide services as provided in a student's individualized education plan at any preschool site;
- (3) Appropriating an unspecified amount to provide services to general education students in a special education classroom; 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. 2435, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2435, H.D. 1, and be referred to the Committee on Human Services & Housing.

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

SCRep. 154-08 Energy & Environmental Protection on H.B. No. 2495

The purpose of this bill is to protect Hawaii's fragile environment by prohibiting the use of polystyrene foam, commonly known as Styrofoam, as a disposable food service-ware product.

The Councilmember for District 6 of the Hawaii County Council, UH-Hilo Student Association, TOWN, Syrophobia LLC, Malolo Beverages and Supplies, Ltd., Lani Hau Design, Summa Hawaii Inc., Diamond Head Cove LLC, the Windward Ahupua'a Alliance, and numerous concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) supported the intent of this measure. The Department of Health (DOH), Hawaii Foam Products, LLC, American Chemical Council, and Hawaii Food Industry Association testified in opposition to this bill. A concerned individual submitted comments.

Your Committee finds that Styrofoam cups, clamshell containers, egg cartons, meat trays, and numerous other items made from polystyrene foam pose a significant threat to the numerous, and oftentimes fragile, ecosystems that exist in Hawaii. The petroleum based foam is a nonrenewable resource and contains benzene, a chemical that has been classified as a human carcinogen. In recognition of the state's fragile environment, growing waste stream, limited availability of landfill space, and a growing awareness of the devastating consequences of global warming, all of which Styrofoam plays a part in, it is essential that nonprofit and for profit entities have an environmental component in their business plan, as many already do in Hawaii.

The replacement of Styrofoam items with their biodegradable counterparts must be a comprehensive and concerted effort. Styrofoam containers can be found everywhere, from the super market, to the local drive-in or lunch wagon, to any place serving take-out food. It has become a convenience in satisfying the consumer demands especially in the food service industry. However, the problem is that you can also find these containers in the street, streambeds, and along our highways and roadways, affecting not only the beauty of our island state but also causing harm to our environment.

The cost to the state's environment is more certain than the cost to implement a ban on Styrofoam items in the food service industry. Your Committee is encouraged by the cost incurred by the San Francisco Department of the Environment (SF) in implementing the city's similar ban of disposable food service-ware products. Based on SF's implementation program, it is estimated that Hawaii's program could cost less than \$200,000. SF's implementation efforts included:

- (1) A six-month education program;
- (2) Two mailings to the 6,000 food-service establishments in the city;
- (3) Five to six food service-ware events across the city that allowed the public and businesses to ask questions, get answers, and see the many available alternatives;
- (4) Working with food distributors to provide them, at the lowest possible cost, with as many Styrofoam alternative product options as possible, and make that information available and accessible to the public; and
- (5) The use of volunteers, who played a critical role by going door-to-door, talking to businesses and providing information.

It should be noted that SF implemented its ban with no funding or appropriation.

The fact that what Hawaii does today to protect its fragile environment will not only impact our current lives but also the lives of Hawaii's children gives this bill even greater importance. Nevertheless, your Committee understands the concerns raised by those opposing this measure and encourages further input from all stakeholders on this important matter as it passes through the legislative process.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying the terms "biodegradable" and "compostable" as those terms are used in the program established by DOH to educate the general public and the food service industry, and DBEDT to analyze the feasibility of producing biodegradable disposable food service-ware in Hawaii;
- (2) Deleting from the definition of "prepared food" the unnecessary statement that prepared food may be eaten either on or off the premises and is known as "takeout food";
- (3) Adding to the definition section "department" means Department of Health;
- (4) Requiring DOH to adopt rules to implement the ban on Styrofoam food service-ware, instead of the counties, since the ban is statewide;
- (5) Adding county facilities to those facilities that prohibit public contractors and lessees from using disposable food service-ware that contains polystyrene foam while performing under a government contract or lease;

- (6) Requiring DBEDT, alone and as the better-suited state agency, to evaluate the feasibility and potential of producing biodegradable disposal food service-ware in Hawaii, instead of the Department of Agriculture in coordination with DBEDT;
- (7) Adding a savings clause applicable to matters that were begun before the effective date of this Act;
- (8) Changing the appropriation amount to an unspecified sum to encourage further discussion; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2495, H.D. 1, and be referred to the Committees on Economic Development & Business Concerns and Agriculture.

Signed by all members of the Committee.

SCRep. 155-08 Health on H.B. No. 2529

The purpose of this bill is to improve food safety by requiring the Department of Health to establish procedures dealing with tainted foods processed for consumption by humans and pet animals and appropriating funds for the purpose.

Animal Rights Hawaii testified in support of this bill. The Department of Health and the Grocery Manufacturers Association opposed this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2050; 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. 2529, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2529, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 156-08 Energy & Environmental Protection on H.B. No. 2510

The purpose of this bill is to appropriate funds to continue the study by the University of Hawaii (UH) on the State's environmental review process and, among other matters, to focus on developing a strategy for modernizing Hawaii's environmental review system.

The Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, Conservation Council for Hawaii, and several concerned individuals testified in support of this bill. The Environmental Center at UH Manoa supported the intent of this measure. The Chamber of Commerce of Hawaii supported this bill with amendments. The Office of Environmental Quality Control opposed this bill. The Gas Company and the Land Use Research Foundation of Hawaii provided comments.

Your Committee finds that funding of the study to modernize Hawaii's environmental review process is of critical importance to the future well being of the state. Act 294, Session Laws of Hawaii 2006, appropriated \$108,675 to the Environmental Center to perform a comprehensive review of the environmental impact statement process under Chapter 343, Hawaii Revised Statutes. However, clerical errors at the departmental level caused a funding failure that ultimately terminated the review. The appropriation in this bill will revive the previous attempt and complete the development of a strategy to modernize Hawaii's environmental review system. House Bill No. 2688, the supplemental legislative budget bill, also appropriates funds to the Legislative Reference Bureau (LRB), including \$300,000 for a contract with UH to conduct a study of the environmental review process. Nonetheless, to ensure funding of the study, your Committee encourages the passage of this bill through the legislative process.

Your Committee has amended this bill by:

- (1) Requiring LRB, instead of the Auditor, to contract with UH to conduct the study;
- (2) Requiring submission of an interim report prior to the Regular Session of 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2510, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2510, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 157-08 Health/Human Services & Housing on H.B. No. 2289

The purpose of this bill is to improve safety and services for residents of long-term care facilities by expanding the long-term care ombudsman program by adding three additional ombudsman positions, one for each neighboring county.

The National Association of Social Workers, ILWU Local 142, Policy Advisory Board for Elder Affairs, and several concerned individuals supported this bill. AARP supported the intent of this measure. The Department of Health and Executive Office on Aging submitted comments.

Your Committees have amended this bill by:

- (1) Repealing the requirement that written consent be acquired from a resident of a long-term care facility or the resident's legal representative prior to the long-term care ombudsman gaining access to the resident's records; 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. 2289, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2289, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 158-08 Agriculture on H.B. No. 2451

The purpose of this bill is to encourage the development of commercial taro farming in Hawaii by directing the University of Hawaii College of Tropical Agriculture and Human Resources, in consultation with native Hawaiian organizations and taro farmers, to establish a commercial taro farming education and training program (Program) through the development of a curriculum that includes education and training opportunities necessary for successful commercial taro farming. In addition, this bill appropriates funds for the Program.

The Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and the Hawaii Crop Improvement Association supported this bill. The Department of Agriculture, Hawaii Agriculture Research Center, supported the intent of this measure. The University of Hawaii did not support this bill. Several concerned individuals submitted comments.

Your Committee is aware of the on-going dialogue between state agencies and taro farmers and other interested stakeholders. This measure is not intended to interfere with these collaborative discussions. Instead, the intent of this measure is to provide additional resources to support, preserve, and protect taro and taro farming 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. 2451 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 Berg.

SCRep. 159-08 Agriculture on H.B. No. 2452

The purpose of this bill is to direct the University of Hawaii College of Tropical Agriculture and Human Resources, in consultation with the Department of Health, to establish and implement a program to assist and educate commercial taro farmers in establishing new markets to maximize the business viability and success of taro crops. In addition, this bill appropriates funds for the program.

The Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and the Hawaii Crop Improvement Association supported this bill. The Department of Agriculture and the Hawaii Agriculture Research Center supported the intent of this measure. The University of Hawaii did not support this bill. Several concerned individuals submitted comments.

Your Committee is aware of the on-going dialogue between state agencies and taro farmers and other interested stakeholders. This measure is not intended to interfere with these collaborative discussions. Instead, the intent of this measure is to provide additional resources to support, preserve, and protect taro and taro farming 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. 2452 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 Berg.

SCRep. 160-08 Education on H.B. No. 602

The purpose of this bill is to effectuate its title.

H.B. No. 602 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the action to report out H.B. No. 602, as amended herein, and recommends that it be recommended to the Committee on Education, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 602, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Bertram, Chang, Saiki and Ching.

SCRep. 161-08 Public Safety & Military Affairs on H.B. No. 2588

The purpose of this bill is to ensure that those who have served our country in the armed forces will have greater opportunities to achieve their educational goals by providing resident status to veterans for tuition purposes within the University of Hawaii system.

The Office of Veterans' Services supported the intent of this bill. The University of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the resident tuition will be available to veterans who are residents of any state, district, or territory, including Washington D.C., Guam, American Samoa, and the Federated States of Micronesia;
- (2) Providing that the veteran will qualify for a total of 36 months of resident tuition; 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. 2588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2588, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representative Takumi.

SCRep. 162-08 Higher Education on H.B. No. 3072

The purpose of this bill is to better serve the needs of the state relative to meeting the challenges of a global economy by improving access to and the quality of higher education. Specifically, this bill expands the State Post-Secondary Education Commission as follows:

- (1) Renames it the Hawaii Higher Education Commission (Commission);
- (2) Removes the members of the Board of Regents and broadens its membership to include representatives of public and private institutions of higher education, government, and business;
- (3) Provides for the initial appointment and election of its chair;
- (4) Requires it to propose and manage a program to provide incentives for individuals wishing to obtain higher education;
- (5) Authorizes it to evaluate elementary and secondary public schools in the state, including their ability to prepare students for post-secondary education;
- (6) Authorizes it to review and recommend policies that increase the rate of students pursuing post-secondary education; and
- (7) Specifies that the Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Labor and Industrial Relations may assist in its efforts.

DBEDT testified in support of this bill. The University of Hawaii (UH) supported the intent of the measure with amendments.

Your Committee's intent is for the existing State Post-Secondary Education Commission to remain intact, as it receives federal funding.

Your Committee has amended this bill by:

- (1) Changing the membership of the Commission as follows:
 - (A) Removing the requirement that members be appointed by the Governor in accordance with section 26-34, Hawaii Revised Statutes;
 - (B) Allowing the designees of the executive agency directors, superintendent of education, presidents of the colleges and universities, and executive directors to be appointed to the Commission;
 - (C) Replacing the chair of the Governor's Innovation Council with the executive director of the High Technology Development Corporation or the executive director's designee;

- (D) Requiring that the four members of Hawaii's business community are to include one representative each from the city and county of Honolulu and the counties of Hawaii, Kauai, and Maui; specifies that they are to be from the different economic sectors of banking, land planning, health, and international affairs; and requires the President of the Senate and Speaker of the House of Representatives to each appoint two members; and
- (E) Removing the four members of the general public, one from each county;
- (2) Administratively attaching the Commission to DBEDT, rather than UH;
- (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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3072, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Berg, Saiki, Shimabukuro and Wakai. (Representative Takai voted no.)

SCRep. 163-08 Consumer Protection & Commerce on H.B. No. 3054

The purpose of this bill is to improve the antitrust law by specifying that:

- (1) Government entities may bring an action:
 - (A) Based on unfair methods of competition and unfair or deceptive acts or practices; and
 - (B) For damages sustained directly or indirectly to the entity's business or property;
 and
- (2) Any civil action or proceeding authorized under the antitrust law may be brought in any appropriate court, and not only a court in the circuit in which the defendant resides, engages in business, or has an agent.

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

Your Committee finds that among other improvements to the antitrust law, this bill ensures the right of the State or any county to bring an action for damages notwithstanding their status as indirect purchasers who did not make the immediate purchase from alleged violators of the antitrust law.

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. 3054 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 Morita.

SCRep. 164-08 Consumer Protection & Commerce on H.B. No. 3170

The purpose of this bill is to protect personal information included in public records by providing that only the last four digits of a social security number may be listed on judgments, orders, or decrees endorsed and recorded in the Bureau of Conveyances (Bureau) or Land Court.

The Department of Commerce and Consumer Affairs and Department of Land and Natural Resources testified in support of this bill. The Consumer Data Industry Association offered comments.

Current law requires judgments, orders, and decrees to include the social security number, Hawaii Tax Identification Number, or Federal Employer Identification Number for entities against whom the judgment, order, or decree is rendered, before the instrument may be recorded in the Bureau or Land Court. The intended use of this information is the positive identification of debtors in instances where similar names may cause discrepancies in records such as credit reports. However, the inclusion of social security numbers in Bureau and Land Court public records also leaves this information vulnerable to improper uses.

By prohibiting the full disclosure of social security numbers in these public records, this bill will help reduce the opportunities for identity theft.

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. 3170 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 Morita. (Representative Sonson voted no.)

SCRep. 165-08 Consumer Protection & Commerce on H.B. No. 2997

The purpose of this bill is to ensure the availability of design professional services in highway construction by providing that a design professional is liable only for the percentage of damages attributable to the design professional in tort claims relating to the maintenance and design of public highways, except when the design professional's degree of negligence is at least 25 percent.

The Coalition of Hawaii Engineering and Architectural Professionals; American Council of Engineering Companies of Hawaii; Hawaii State Council of the American Institute of Architects; Hawaii Section of the American Society of Civil Engineers; KAI Hawaii, Inc.; Alpha Engineers, Inc.; Engineering Concepts, Inc.; Masa Fujioka & Associates; Kelso Architects, Inc.; Bill Chang Architect, LLC; Mechanical Engineers of Hawaii Corporation; Next Design, LLC; Shimabukuro, Endo & Yoshizaki, Inc.; Gray, Hong, Nojima & Associates, Inc.; MK Engineers, Ltd.; Kauahikaua & Chun – Architects; Wesley R. Segawa & Associates, Inc.; Walters, Kimura, Motoda, Inc.; and Garduque Architects, LLC testified in support of this bill. The Consumer Lawyers of Hawaii, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company opposed this measure.

Design professionals include engineers, architects, and surveyors. Under joint and several liability for tort cases involving accidents due to highway maintenance or design, these professionals may end up paying well beyond the percentage of damages attributed to them. In many cases, insurers will settle for the design professional's policy limits to avoid the risk of large awards at trial. This economic risk discourages design professionals, particularly smaller firms, from working on highway projects, limiting the pool of available firms willing to take on these projects.

This bill attempts to balance these concerns along with the interests of injured parties by providing that design professionals found to be less than 25 percent at fault in these types of tort cases will only be responsible for the percentage of damages attributed to them.

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. 2997 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 Morita. (Representative Sonson voted no.)

SCRep. 166-08 Human Services & Housing on H.B. No. 3127

The purpose of this bill is to protect adults who are vulnerable and unable to fully care for themselves by expanding the types of abuse from which vulnerable adults are protected and expanding the authority to investigate allegations of abuse, neglect, and financial exploitation.

The Department of Human Services (DHS), State Council on Developmental Disabilities, Office of Hawaiian Affairs, City and County of Honolulu Department of Community Services Elderly Affairs Division, Healthcare Association of Hawaii, and a concerned individual testified in support of this bill. The National Association of Social Workers supported this measure with amendments.

Your Committee notes that several testifiers indicated that they preferred the contents of S.B. No. 2150. Although the language in S.B. No. 2150 contains an appropriation, DHS stated that it may be able to implement the measure without hiring new staff and will report back to the Legislature on its anticipated costs, if any.

Accordingly, your Committee has amended this bill by replacing it with the contents of S.B. No. 2150 and making some additional technical changes. As amended, this bill makes changes including:

- (1) Making conforming amendments to provisions regarding the maintenance of court records;
- (2) Religious and spiritual exemptions relating to treatment of a vulnerable adult;
- (3) Exempting members of the clergy from reporting protected communications;
- (4) Removing provisions under which DHS is not required to investigate a report of abuse;
- (5) Adding an appropriation for DHS to hire additional staff and contract for services to implement this measure; 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. 3127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3127, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 167-08 Human Services & Housing on H.B. No. 3128

The purpose of this bill is to require caregivers and advocacy service providers to report suspected abuse of a dependent adult to the Department of Human Services (DHS).

DHS, the Office of Hawaiian Affairs, and Kokua Council testified in support of this bill. The State Council on Development Disabilities supported the intent of this measure. The National Association of Social Workers supported the intent of this bill with amendments. The Hawaii Disability Rights Center (HDRC) provided comments.

Your Committee urges stakeholders to form a task force to consider issues raised by HDRC in its written testimony such as clarifying the definition of "abuse" and establishing a definition for "advocacy services", as well as developing reporting mechanisms that are better coordinated and eliminate gaps.

Your Committee has amended this bill by:

- (1) Changing the term "dependent adult" to "vulnerable adult;"
- (2) Specifying that reporting should be within the extent permitted under federal law and where any necessary consent to release information was obtained;
- (3) Including advocacy services, social workers, and informal caregivers as mandated reporters;
- (4) Removing advocacy services specifically for persons with development disabilities, mental illness, and disabilities as mandated reporters;
- (5) Exempting clergy from reporting certain protected communications; 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. 3128, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3128, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 168-08 Human Services & Housing on H.B. No. 3129

The purpose of this bill is to ensure that criminal history record checks are conducted more effectively on human service providers by authorizing a designee of the Department of Human Services (DHS) to assist with these checks. Currently, only DHS personnel can conduct background checks.

This bill also corrects omissions in the enabling law.

DHS, Office of Youth Services, and Office of Hawaiian Affairs testified in support of this bill. The Consumer Data Industry Association supported the intent of this measure.

Currently, criminal history record checks rely only on State databases. Expanding this database to include those available in the private sector can provide a more comprehensive check. Accordingly, your Committee has amended this bill by allowing criminal history record checks through not only the Hawaii Criminal Justice Data Center but also through a consumer credit reporting agency or a consumer reporting agency.

Technical, nonsubstantive amendments were also made.

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. 3129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3129, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 169-08 Human Services & Housing on H.B. No. 3135

The purpose of this bill is to facilitate efforts to maximize federal revenue for the care of children in the juvenile justice system by:

- (1) Prohibiting the expenditure of state general funds on behalf of a child within the juvenile justice system until the Judiciary has maximized the benefits for which a child is eligible under all relevant federal programs; and
- (2) Requiring the Judiciary, if it does not adopt a federal revenue maximization program, to report to the Governor and the Legislature on the reasons why the Judiciary should continue to receive state general revenues for children in the juvenile justice system.

The Department of Human Services and Office of Youth Services supported this bill. The Judiciary submitted comments.

Your Committee respectfully requests that the Committee on Judiciary consider the issues and concerns raised by the Judiciary in its testimony on this matter.

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. 3135 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. (Representatives Belatti and Rhoads voted no.)

SCRep. 170-08 Labor & Public Employment on H.B. No. 3163

The purpose of this bill is to increase the efficiency of the Department of Labor and Industrial Relation's Disability Compensation Division (DCD) by:

- (1) Allowing currently available funds in the Special Fund for Disability Benefits (Special Fund) to be used for the automation of the workers' compensation, temporary disability insurance, and prepaid health care programs; and
- (2) Appropriating \$5,000,000 from the Special Fund for this purpose.

The Department of Labor and Industrial Relations testified in support of this bill.

The Special Fund was created in 1969 and consisted of funds collected from businesses to pay for disability benefits for employees. Over the years, the Special Fund has grown to its current estimated balance of \$8,600,000 and continues to grow with interest payments of an estimated \$156,000 annually. The current amount in this account far exceeds the Special Fund's annual payout.

Your Committee finds that DCD is responsible for the workers' compensation program, the prepaid health care program, and the temporary disability insurance program and that the current method of handling these programs, including the antiquated computer system DCD is currently using, decreases DCD's efficiency. Allowing DCD to modernize its processes and computer systems will allow for increased efficiency, easier access to information, and reduced costs to the State.

However, your Committee is unsure as to whether \$5,000,000 is necessary to accomplish this goal. Accordingly, your Committee has amended this measure by changing:

- (1) The appropriation from the Special Fund for the purposes of this Act from \$5,000,000 to an unspecified amount; and
- (2) The effective date to July 1, 2059, to encourage further discussion.

Other technical, nonsubstantive amendments were 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. 3163, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3163, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 171-08 Labor & Public Employment on H.B. No. 3290

The purpose of this bill is to assist individuals living in Hawaii under the Compacts of Free Association by:

- (1) Creating a state coordinator position within the Department of Labor and Industrial Relations (DLIR) to assist these individuals; and
- (2) Appropriating funds for this position.

DLIR testified in support of the intent of this measure.

There are many individuals living in Hawaii under the Compacts of Free Association currently in place between the United States and the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. Although a number of these individuals receive medical and social services assistance, this assistance is often provided to them through numerous agencies and organizations. Better coordination of these services through a state coordinator would work toward enhancing and improving the living conditions of these individuals.

However, your Committee understands the concerns raised by DLIR regarding the funding of this position through the use of general funds and notes that the Executive Director of the Office of Community Services stated that other avenues of providing funding for this position were being investigated.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, to encourage 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3290, H.D. 1, and be referred to the Committee on International Affairs.

Signed by all members of the Committee except Representatives Souki, Takumi and Meyer.

SCRep. 172-08 Labor & Public Employment on H.B. No. 1982

The purpose of this bill is to improve customer services at state agencies by:

- (1) Requiring the Office of the Ombudsman (Ombudsman) to develop and implement a pilot program using informed customers to investigate customer service at state agencies; and
- (2) Appropriating funds for the establishment of this pilot program.

The Hawaii Government Employees Association (HGEA) testified in support of this bill. The Ombudsman commented on this measure.

While most employees and agencies of the State provide good customer service, complaints have been made regarding customer service issues by members of the public when accessing various state services. This "secret shopper" type pilot program is intended to provide constructive feedback on how well the public is being served by employees and agencies of the State.

However, your Committee understands the concerns raised by the Ombudsman that, as currently written, this measure may be too broad which may make it difficult for the Ombudsman to complete this project in a timely manner. Your Committee further recognizes the concerns raised by HGEA that information gathered by this pilot program not be used to discipline employees. Accordingly, your Committee has amended this measure by:

- (1) Restricting its scope to investigating the customer service of the Hawaii Public Housing Authority;
- (2) Prohibiting the use of information gathered by the pilot program to criticize individual employees; and
- (3) Amending the date by which the report written by the Ombudsman shall be submitted to the Legislature to 20 days prior to the convening of the regular session of 2009, rather than 2011.

Other technical, non-substantive amendments were made for purposes of 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. 1982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1982, H.D. 1, and be referred to the Committee on Legislative Management.

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

SCRep. 173-08 Labor & Public Employment on H.B. No. 2441

The purpose of this bill is to provide further protection for students by expanding workers' compensation coverage for students participating in school-approved, work-based learning programs sponsored by the Department of Education (DOE) or the University of Hawaii (UH) to include public employers.

DOE testified in support of this bill. The American Insurance Association submitted comments on this measure.

Although students are performing duties as regular employees while participating in school-approved, work-based learning programs sponsored by DOE or UH for both public and private employers, your Committee notes that the State is only deemed to be the responsible employer for workers' compensation coverage, if the student is working for a private employer. As this is a beneficial relationship, one in which the student is furthering their education in their field of study and the employer is afforded an additional employee with little to no cost, it would be prudent for all students to be covered by workers' compensation while performing in the capacity of an employee during their work-based learning program.

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. 2441 and recommends that it pass Second Reading and be referred to the Committee on Education.

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

SCRep. 174-08 Labor & Public Employment on H.B. No. 2390

The purpose of this bill is to increase the accountability of the workers' compensation system by requiring the workers' compensation insurance carrier to provide annual reports to the Director of the Department of Labor and Industrial Relations (DLIR) and the State Insurance Commissioner (Insurance Commissioner) detailing:

- (1) Costs of Independent Medical Examinations (IMEs);
- (2) Costs for legal services relating to administration of claims; and

- (3) Administrative costs.

The Hawaii Insurers Council, Hawaii Employers' Mutual Insurance Company, Inc., and American Insurance Association testified in opposition to this bill. DLIR and the Department of Commerce and Consumer Affairs commented on this measure.

Insurers currently only provide lump sum costs of their policies to the Insurance Commissioner and do not have to report a cost breakdown including costs for IMEs, legal services, and administration of these policies. By providing a breakdown of these costs, your Committee believes that both DLIR and the Insurance Commissioner will be better able to evaluate the costs of the workers' compensation system in Hawaii.

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. 2390 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 Souki. (Representatives Evans, Har and Pine voted no.)

SCRep. 175-08 Economic Development & Business Concerns on H.B. No. 3085

The purpose of this bill is to resolve inconsistencies, gaps, and ambiguities in the law allowing registration and protection of trademarks, service marks, and trade names in chapter 482, Hawaii Revised Statutes (chapter 482). Among other things, this bill:

- (1) Distinguishes between the standard for registration of trade or entity names ("substantially identical") and the standard for determining ownership of trade or entity names under the common law ("confusingly similar");
- (2) Adds a C felony penalty for intentional false filings to the existing misdemeanor penalty for negligent false filings;
- (3) Reorganizes chapter 482 into four parts entitled Definitions, Trade Names, Trademarks and Service Marks, and Miscellaneous Provisions; and
- (4) Makes technical, nonsubstantive housekeeping amendments.

The Office of Administrative Hearings and Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3085, 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 and Ching.

SCRep. 176-08 International Affairs on H.B. No. 3398

The purpose of this bill is to expand language programs in the University of Hawaii (UH) system by appropriating funds system wide for shared resources for Philippine language and culture programs.

The Oahu Filipino Community Council, United Filipino Council of Hawaii, National Federation of Filipino American Associations Region XII, Congress of Visayan Organizations, Filipino Coalition for Solidarity, Hawaii Interpreter Action Network, and many concerned individuals testified in support of this bill. The UH system and a concerned individual supported the intent of this measure.

Your Committee notes that several testifiers clarified some of the details with regard to Philippine languages and culture, including that the three most prevalent of the major Philippine languages used in Hawaii are Filipino, Ilocano, and Cebuano. Additionally, testifiers stated that "Filipino" is the national language of the Philippines, and that when referring to all of the languages of the Philippines collectively, the term "Philippine languages" is preferred.

Accordingly, your Committee has amended this bill by:

- (1) Clarifying references to languages and culture by replacing some of the terms with "Philippine languages" and "Philippine-American studies";
- (2) Adding Windward Community College as one of the schools that should receive funding;
- (3) Removing the appropriation amounts to facilitate further discussion; 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 International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3398, H.D. 1, and be referred to the Committee on Higher Education.

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

SCRep. 177-08 Public Safety & Military Affairs on H.B. No. 2485

The purpose of this bill is to protect people, property, and natural resources from the risk of wildland fires by:

- (1) Establishing the Firewise Hawaii Program (Program) in the Department of Land and Natural Resources (DLNR); and
- (2) Creating the Firewise Hawaii Special Fund (Special Fund), to address the growing fire danger in wildland-urban interface areas of the state.

The Hawaii Wildfire Management Organization and several concerned individuals supported this bill. DLNR supported the intent of this measure. The Department of Budget and Finance and MCS International submitted comments.

Your Committee has amended this bill by:

- (1) Changing the name of the Program and the Special Fund to the Wildland-urban Interface Program and Wildland-urban Interface Special Fund;
- (2) Placing the Program and the Special Fund under the "Land Fire Protection Law" in Chapter 185, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2485, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 178-08 Public Safety & Military Affairs on H.B. No. 3367

The purpose of this bill is to ensure the proper collection and expenditure of funds to support wireless enhanced 911 service by:

- (1) Suspending the Wireless Enhanced 911 Surcharge (Surcharge) indefinitely;
- (2) Providing that funds expended from the Wireless Enhanced 911 Fund (Fund) for reimbursement of capital costs will supplement, but not replace, funds regularly appropriated by the counties; and
- (3) Requiring the Wireless Enhanced 911 Board (Board) to annually present a plan to the Legislature prior to each regular legislative session that:
 - (A) Specifies a surcharge necessary to meet its expenses and planned expenditures for the next two fiscal years; and
 - (B) Proposes to refund surplus surcharge funds.

The Department of Accounting and General Services and Honolulu Police Department opposed this bill.

Your Committee has amended this bill by:

- (1) Reducing the Surcharge to 43 cents;
- (2) Including as operating costs to be paid by the counties, any charges for ongoing service provided by the local exchange carrier;
- (3) Requiring the Auditor to conduct a financial and management audit of the Fund; 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. 3367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3367, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 179-08 Health on H.B. No. 2533

The purpose of this bill is to protect the health and safety of our students by appropriating funds for a free statewide student vaccination program against influenza.

The Department of Health supported the intent 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. 2533 and recommends that it pass Second Reading and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 180-08 Health on H.B. No. 3244

The purpose of this bill is to provide resources for recovery to survivors and witnesses in cases involving death or violent crimes and of young or elderly witnesses of violent crimes by authorizing criminal injuries compensation to be provided for mental health services for such persons.

The Crime Victim Compensation Commission, City and County of Honolulu's Department of the Prosecuting Attorney, and Hawaii State Coalition Against Domestic Violence 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 H.B. No. 3244 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. 181-08 Health on H.B. No. 2283

The purpose of this bill is to facilitate the implementation of the first tattoo convention in Hawaii by allowing the Department of Health (DOH) to issue temporary certificates of registration, under certain conditions, to tattoo artists not licensed in the State for educational, trade show, or product demonstration purposes only.

A concerned individual supported this bill. 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 is in accord with the intent and purpose of H.B. No. 2283 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. (Representative Rhoads voted no.)

SCRep. 182-08 Health on H.B. No. 2291

The purpose of this bill is to make health care accessible for the people of Hawaii by establishing the State Health Authority (Authority) to develop a plan to provide health care for all residents of Hawaii.

The Department of Commerce and Consumer Affairs, Department of the Attorney General, Department of Budget and Finance, Hawaii Medical Association, and concerned individuals opposed this bill. The Hawaii Association of Health Plans submitted comments.

Your Committee has amended this bill by:

- (1) Delaying the date on which the Authority becomes the designated state Medicaid agency from January 1, 2009, to January 1, 2011;
- (2) Delaying the date of implementation of the health plan from January 1, 2010, to January 1, 2012;
- (3) Delaying the time by which the Authority must submit its plan, proposal, and legislation to the legislature from at least 20 days before the Regular Session of 2009 to at least 20 days before the Regular Session of 2011;
- (4) Changing the effective date to January 1, 2050; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2291, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 183-08 Health on H.B. No. 2530

The purpose of this bill is to assist law enforcement in its efforts to combat the illegal manufacturing of methamphetamine by requiring the Narcotics Enforcement Division (NED) of the Department of Public Safety (DPS) to maintain an electronic purchase logbook for sales of pseudoephedrine and related substances.

DPS supports the intent of this bill. The American Civil Liberties Union of Hawaii and a concerned citizen opposed this bill. The Walgreen Company submitted comments.

Your Committee has amended this bill by:

- (1) Limiting the application of the bill to products containing pseudoephedrine, and not ephedrine and phenylpropanolamine, as the latter products are no longer sold over-the-counter without a prescription in the state;
- (2) Extending the time period NED would have to establish the electronic purchase logbook to December 31, 2010;
- (3) Extending the time period NED is required to maintain logbook records to three years after its entry;
- (4) Authorizing any individual or agency authorized by the administrator of NED to access the electronic logbook;
- (5) Adding a misdemeanor offense for the knowing failure to transmit any information as required under the new section;
- (6) Creating the penalty of immediate suspension of a pharmacy or retailer's ability to sell any product containing any detectable quantity of pseudoephedrine until authorized by the administrator of NED for a knowing or intentional failure to transmit information as required under the new section;
- (7) Conforming state law to federal law by eliminating the exception from sales restrictions for products containing pseudoephedrine that are in liquid, liquid capsule, or gel capsule form;
- (8) Changing the effective date to January 1, 2010, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2530, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2530, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representative Cabanilla.

SCRep. 184-08 Health/Human Services & Housing on H.B. No. 2881

The purpose of this bill is to ensure prenatal services are provided to women who are afraid to visit conventional hospitals and clinics due to a drug or alcohol addiction they are struggling with by making the perinatal clinic (Clinic) first established by Act 248, Session Laws of Hawaii 2006, permanent, appropriating funding for the clinic, and placing the Clinic within the Department of Human Services (DHS).

The Hawaii Medical Association, the Drug Policy Forum of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, and a concerned individual supported this bill. DHS opposed provisions in this measure placing the clinic within DHS. The Department of Health submitted comments.

Your Committee has amended this bill leaving the Clinic in the John A. Burns School of Medicine University Clinical Educational and Research Associates Program at the University of Hawaii Department of Obstetrics, Gynecology, and Women's Health.

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. 2881, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2881, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 185-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3176

The purpose of this bill is to facilitate the imposition of administrative penalties for damage to stony coral and live rock by imposing penalties on a "per square meter" basis, in addition to the "per specimen" basis.

The Office of Hawaiian Affairs, the Nature Conservancy of Hawaii, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources, Ocean Tourism Coalition, and several concerned individuals provided comments.

Your Committee finds that the current method of calculating penalties for the taking, killing, or injuring of threatened or endangered aquatic life per specimen is difficult to measure for stony coral and live rock, which is more easily calculated on a damaged area basis. Using the "per square meter" method will enable the Board of Land and Natural Resources to effectively assess administrative penalties for damage to stony coral and live rock.

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. 3176 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. 186-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3177

The purpose of this bill is to strengthen the Department of Land and Natural Resources' (DLNR's) enforcement tools for violations occurring on lands within the Conservation Districts by:

- (1) Increasing the maximum fine from \$2,000 to \$10,000; and
- (2) Authorizing the Board of Land and Natural Resources to assess fines based on the value of damages to natural resources.

DLNR, the Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, and the Sierra Club—Hawaii Chapter testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3177 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. 187-08 Health on H.B. No. 2224

The purpose of this bill is to ensure health care coverage for part-time employees by requiring insurers that offer health care coverage to the regular employees of any group or association to offer the same coverage to part-time employees working at least 15 hours per week.

The Department of Commerce and Consumer Affairs, Hawaii Teamsters Local 996, and a concerned individual supported this bill. The Hawaii Medical Service Association supported the intent of this measure. A concerned individual supported this bill with amendments. Hawaii Association of Health Plans opposed this measure. Kaiser Permanente 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. 2224 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 Belatti and Ward.

SCRep. 188-08 Health on H.B. No. 3095

The purpose of this bill is to improve the Insurance Commissioner's (Commissioner) ability to protect consumers from improper transactions between insurers and their affiliates by authorizing the Commissioner to monitor the relationships and transactions between mutual benefit societies and their affiliates in the same manner as for other insurers.

The Department of Commerce and Consumer Affairs and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3095 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 Belatti and Ward.

SCRep. 189-08 Health on H.B. No. 3106

The purpose of this bill is to ensure safety and quality in the profession of acupuncture by requiring applicants for acupuncture licensure, who graduated from foreign institutes, to have their educational information evaluated by a professional crediting evaluator as a prerequisite for taking an examination and getting a license in Hawaii.

The Board of Acupuncture, Institute of Clinical Acupuncture and Oriental Medicine, and Hawaii Acupuncture Association 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 H.B. No. 3106 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 Bertram and Tokioka.

SCRep. 190-08 Health on H.B. No. 2445

The purpose of this bill is to increase transparency in pharmaceutical research and development and providing consumers with greater awareness of the products they take by:

- (1) Requiring prescription drug ads to meet federal standards;
- (2) Mandating public disclosure of clinical trial information;
- (3) Directing drug manufacturers to pay fees to the Department of Health (DOH) to fund a public education initiative on clinical trials and drug safety; and
- (4) Establishing the Prescription Drug Advertising Special Fund to collect funds which will be expended by DOH carryout the requirements of this bill.

The Hawaii Alliance for Retired Americans and ILWU supported this bill. DOH, Department of Commerce and Consumer Affairs, and Pharmaceutical Research and Manufacturers of America opposed this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Setting the drug manufactures annual fee at \$100; 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. 2445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2445, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 191-08 Health on H.B. No. 2519

The purpose of this bill is to address the critical shortage of health care professionals Hawaii is experiencing by providing incentives for physicians and dentists to work in health professional shortage areas (HPSA) of the state. Among other things, this bill:

- (1) Establishes the Hawaii Rural Physician Loan Program (Student Loan Program) for students at the University of Hawaii John A. Burns School of Medicine (JABSOM) who agree to participate in the Hawaii Health Corps Program (HHCP) and work at least five years as a physician in HPSAs of the state and as first responders during civil defense and other emergencies;
- (2) Establishes the Hawaii Health Corps Stipend Program that provides stipends for physicians and dentists who agree to provide services in HPSAs of the state and as first responders during civil defense and other emergencies;
- (3) Establishes the Hawaii Health Corps Fund; and
- (4) Increases access to quality health care in HPSAs by making the Enterprise Zone tax credits and exemptions and other business incentives available to physicians and dentists who establish or maintain practices in areas designated as Enterprise Zones.

The State Council on Developmental Disabilities, Mayor of the County of Hawaii, Kaiser Permanente, Hawaii Association of Health Plans, Hawaii Medical Service Association, Hawaii Primary Care Association, Hawaii Medical Association, Healthcare Association of Hawaii, Hawaii Psychiatric Medical Association, and Consumer Lawyers of Hawaii supported this bill. The Hawaii Health Systems Corporation and a concerned individual supported the intent of this measure. The Department of Health (DOH), Department of Business, Economic Development, and Tourism, Department of Budget and Finance, and Department of Taxation submitted comments.

Your Committee finds that according to a report issued in 2007 by the United Health Foundation, Hawaii ranks seventh in the nation for the number of its primary care physicians per capita. However, the fact remains that for many areas of the state, access to health care is a difficult challenge. Taking creative steps to attract health care providers to serve in Hawaii's underserved areas is vital to keeping our residents healthy, but we must also ensure retention of these professionals with lasting solutions. Part of the answer to the state's health care professional shortage lies in providing the necessary resources to carry out the programs created. As such, DOH has presented your Committee with concerns that planning, designing, implementing, and managing the programs outlined in this bill would require the establishment of an entirely new division or office within the department with new staff positions and an as yet undetermined budget, a daunting task with so many competing priorities in a time of needed budget restraint.

Your Committee recommends that DOH examine the United States (U.S.) Department of Health and Human Services' State Loan Repayment Program (SLRP) as a possible source of funding for HHCP. SLRP is a federal-state partnership created to assist states in addressing the health professional shortages that cause disparities in access to health care. The Bureau of Health Professions seeks grant applications from states that can demonstrate local support for implementing a SLRP.

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

- (1) Replacing the Student Loan Program with the Hawaii Rural Health Care Loan Repayment Program (Repayment Program) to assist qualifying physicians and dentists to repay loans. Among other things, the Repayment Program:
 - (A) Requires physicians who graduated from JABSOM to commit to three years of service in an HPSA and physicians and dentists who graduated from an eligible education and training program within the U.S. to commit to five years of service in an HPSA to be eligible for loan repayments;
 - (B) Is limited to no more than 100 participants at any time with not more than 15 percent dentist participants;
 - (C) Provides loan repayments not exceeding \$30,000 per year for a maximum of five years or 20 percent of qualifying educational loans of a physician or dentist, whichever is less;
 - (D) Gives preference to JABSOM graduates or participants who resided in an HPSA; and
 - (E) Is required to be implemented by DOH no later than June 30, 2009;
- (2) Including any county with a population of less than 500,000 residents as an HPSA;
- (3) Repealing provisions directing DOH in coordination with JABSOM, in administering the Student Loan Program to:
 - (A) Identify and designate HSPAs;
 - (B) Establish criteria for the selection and select eligible students to participate in the loan forgiveness portion of the program;
 - (C) Define and determine compliance with the program enrollment requirement, licensure requirement, and service obligations; and
 - (D) Collect and manage repayments from loan recipients who do not meet their enrollment requirement, licensure requirement, or service obligations under the program;
- (4) Specifying that only health care providers in Enterprise Zones that also fall in HPSAs of the state are eligible to be designated a qualified business;
- (5) Reducing the appropriated amount to \$300,000 for the creation of the HHCP;
- (6) Making DOH the expending agency for the funds appropriated for the creation of the HHCP; 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. 2519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2519, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 192-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2450

The purpose of this bill is to protect farming operations from the threat of urban encroachment by requiring the reclassification, into the urban or rural district, of any land that is contiguous to the agricultural district, to contain a condition that no nonagricultural development shall be permitted within 300 feet of the property line bordering any parcel in the agricultural district on which farming operations are being conducted.

The Hawaii Farm Bureau Federation and Hawaii Crop Improvement Association supported this bill. Maui County Farm Bureau and Hawaii's Thousand Friends supported this measure with amendments. The Department of Agriculture did not support this bill.

New residential housing and other urban and rural developments abutting actively-used agricultural lands continue to interfere with the ability of farmers to conduct their farming operations. In spite of the Hawaii Right to Farm Act, farmers are still subjected to harassment and unwarranted lawsuits from neighbors who complain about the noise, smells, and dust associated with farming. However, your Committees also recognize the concerns associated with prohibiting the nonagricultural use of lands within the buffer zone. One particular area of concern relates to the potential use of lands in the "buffer" zone for a public purpose that benefits the community. This measure may serve as an obstacle to such beneficial use. Your Committees respectfully request that this issue be considered as this measure makes its way through the legislative process.

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. 2450 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 193-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2293

The purpose of this bill is to improve the operational flexibility of the Agribusiness Development Corporation (ADC) and preserve valuable agricultural lands by, among other things, authorizing ADC to:

- (1) Acquire specific agricultural lands located on Oahu and owned by the Galbraith Estate through a combination of general fund appropriations and revenue bonds issued by ADC with the approval of the Governor;
- (2) Purchase, accept, and maintain permanent conservation easements, or transfer these easements to qualified land trust in accordance with the federal Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (3) Contract with certain financial institutions to provide lease management services when leasing ADC-controlled agricultural land.

The Hawaii Farm Bureau Federation, Wahiawa Community and Business Association, The Trust for Public Land, HPC Foods, Ltd., and several concerned individuals supported this bill. The Department of Agriculture, ADC, Hawaii Agriculture Research Center, and the Hawaii Egg Producers Association supported the intent of this measure. The Department of Budget and Finance, Bank of Hawaii, and a concerned individual submitted comments.

Your Committees find that preserving high-quality agricultural lands for agricultural use is critical to ensuring a viable future for our agricultural industry. This bill represents an important component in the efforts to accomplish this goal. However, your Committees recognize that several issues were raised during the public testimony. Concerns were raised regarding some of the financing mechanisms contained in this measure, including the feasibility of revenue bond financing to purchase the Galbraith Estate lands. General obligation bonds were suggested as an alternative to revenue bonds. Furthermore, suggestions were also made regarding the use of condemnation through eminent domain as a potential method of acquiring the lands. Finally, issues relating to land ownership by the State, including liability concerns, should continue to be discussed as this bill makes its way through the legislative process.

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. 2293 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 194-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2593

The purpose of this bill is to improve county efforts to prepare for droughts by appropriating funds for drought mitigation projects and measures in each county of the state.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, and Maui Land & Pineapple Co., Inc., supported this bill. The Department of Agriculture supported the intent of this measure. The Department of Land and Natural Resources 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 are in accord with the intent and purpose of H.B. No. 2593 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 195-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2594

The purpose of this bill is to improve Hawaii's agricultural infrastructure by:

- (1) Authorizing the issuance of general obligation bonds with resulting funds to be deposited into the Irrigation Repair and Maintenance Special Fund (Special Fund);
- (2) Appropriating funds out of the Special Fund for certain irrigation systems and for additional personnel needed to assist in irrigation system maintenance.

The Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, and the Hawaii Crop Improvement Association supported this bill. The Department of Agriculture supported this bill and suggested amendments. The Department of Hawaiian Home Lands and Agribusiness Development Corporation supported the intent of this measure.

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. 2594 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 196-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2810

The purpose of this bill is to:

- (1) Establish a process for just and reasonable water rates for farming operations with oversight from the Public Utilities Commission (PUC); and
- (2) Exempt the suppliers of water from the definition of "public utilities" under the PUC law.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, and the Hawaii Crop Improvement Association supported this bill. Palila Growers, LLC, supported the intent of this measure and suggested amendments. The Department of Agriculture, Consumer Advocate, PUC, and the Hawaii County Council submitted comments.

Your Committees find that due to their geographical isolation, some farmers are unable to access agricultural water provided by the State or the counties. Instead, these farmers are forced to pay significantly higher water rates for water provided by private water suppliers. The financial burden caused by high water rates may jeopardize the financial viability of bona fide farms in our state. This bill is intended to address this problem in a fair and reasonable manner.

However, your Committees find that several concerns were raised with this measure, including the exclusion of suppliers of water from the definition of "public utilities" and the lack of a clearly defined policy statement in the bill to guide the PUC in setting favorable agricultural water rates. Your Committees respectfully request that these concerns be addressed as this bill moves along in the legislative process.

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. 2810 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 Morita and Saiki.

SCRep. 197-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2965

The purpose of this bill is to enhance protections for Hawaii's agricultural water systems by:

- (1) Allowing electrical power to be diverted to public and private agricultural water systems for irrigation of agricultural lands when certain conditions and requirements are met;
- (2) Specifying that, in the event of an emergency declared by the Governor, electric power, to the fullest extent possible, shall be diverted directly to agricultural pumping facilities for the purpose of maintaining agricultural water security; and
- (3) Establishing the Agricultural Water Security Revolving Fund (Revolving Fund) to fund projects that enhance and ensure the security of the water supply and irrigation systems for agriculture.

The Office of Hawaiian Affairs, Kamehameha Schools, The Kohala Ditch Project, Kahua Ranch Ltd., Island Resources Ltd., and several concerned individuals supported this bill. The Department of Land and Natural Resources (DLNR) opposed a specific section of this bill. The Department of Budget and Finance submitted comments.

Your Committees recognize the importance of ensuring steady and reliable access to water for agricultural operations. However, your Committees note that concerns were raised regarding the provisions contained in this measure. Your Committees respectfully request that the provisions relating to the diversion of electric power for agricultural water systems, contained in section 2 of this measure, be assessed by the Committee on Commerce and Consumer Protection to determine if those provisions should be placed under the purview of the Public Utilities Commission. In addition, your Committees note the concerns raised regarding the establishment of the Revolving Fund under the State Water Code.

To encourage further discussions, your Committees have amended this measure by removing the Revolving Fund from the purview of the State Water Code and deleting references to DLNR as the administrative entity for the Revolving Fund. Other technical, non-substantive amendments were made 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. 2965, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2965, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 198-08 Agriculture/Economic Development & Business Concerns on H.B. No. 2085

The purpose of this bill is to improve the effectiveness and decision-making of the Agribusiness Development Corporation (ADC) by:

- (1) Attaching it administratively to the Department of Business, Economic Development, and Tourism (DBEDT), instead of the Department of Agriculture (DOA);
- (2) Statutorily requiring DBEDT to assist ADC in carrying out ADC's duties and obligations; and

- (3) Requiring that at least four members of the Board of Directors of ADC have knowledge, experience, and expertise within the fields of retail, wholesale, and distribution involving agricultural products; packaging and processing of agricultural products; transportation and shipping of agricultural products; or venture capital involving agricultural businesses.

DBEDT did not support this measure. DOA, ADC, Hawaii Farm Bureau Federation, Hawaii Aquaculture Association, Maui County Farm Bureau, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, East Kauai Water Users' Cooperative, and several concerned individuals opposed this bill. A concerned individual submitted comments.

In light of the concerns raised by various testifiers during the public hearing, your Committees have amended this measure by:

- (1) Deleting the provision attaching ADC to DBEDT;
- (2) Deleting the provision statutorily requiring DBEDT to assist ADC in carrying out ADC's duties and obligations; and
- (3) Making technical, non-substantive 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. 2085, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2085, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 199-08 Transportation on H.B. No. 509

The purpose of this bill is to effectuate its title.

H.B. No. 509 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

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

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the action to report out H.B. No. 509, as amended herein, and recommends that it be recommitted to the Committee on Transportation, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 509, H.D. 1.

Signed by all members of the Committee except Representatives Har, Nakasone, Sonson and Takumi.

SCRep. 200-08 International Affairs on H.B. No. 1974

The purpose of this bill is to effectuate its title.

H.B. No. 1974 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. 1974, 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. 1974, H.D. 1.

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

SCRep. 201-08 International Affairs on H.B. No. 1975

The purpose of this bill is to effectuate its title.

H.B. No. 1975 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Your 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. 1975, 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. 1975, H.D. 1.

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

SCRep. 202-08 Consumer Protection & Commerce on H.B. No. 96

The purpose of this bill is to promote the safe operation of commercial vehicles by requiring county examiners of drivers and inspection stations to conduct random drug and alcohol tests for commercial drivers.

The Department of Customer Services of the City and County of Honolulu testified in opposition of this bill.

Concerns were raised as to whether the counties have the resources to conduct the random drug and alcohol tests required by this bill. It was also pointed out that commercial drivers are already subject to random alcohol and controlled substance testing under federal law.

Accordingly, your Committee has amended this bill by replacing its provisions with those that:

- (1) Require commercial drivers, while operating a commercial motor vehicle, to possess proof of their most recent alcohol and controlled substance test taken pursuant to Title 49 Code of Federal Regulations Section 382.305;
- (2) Require commercial drivers to present such proof of testing at the time of inspection at weight stations conducted under Title 23 Code of Federal Regulations Part 658; and
- (3) Disqualify violators of these new provisions from driving commercial motor vehicles for an unspecified period of time, depending on the number of violations.

Your Committee requests the Committee on Transportation, in considering further action on this bill, to explore the feasibility of requiring commercial drivers:

- (1) To carry a card prescribed by the Department of Transportation and indicating the successful passage of drug and alcohol testing within the past three years; and
- (2) To present such cards:
 - (A) Upon demand by a law enforcement officer; and
 - (B) As a condition of initial and subsequent renewal of that person's commercial driver's license.

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. 96, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 96, H.D. 2, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Thielen.

SCRep. 203-08 Health/Human Services & Housing on H.B. No. 2520

The purpose of this bill is to improve the ability of employees who need time off from work to care for a family member with a serious health condition without the threat of encountering financial hardships by amending the Temporary Disability Insurance Law established under Chapter 392, Hawaii Revised Statutes, to permit an eligible employee to collect up to four weeks of temporary disability insurance benefit payments to care for a family member with a physical or mental condition that warrants the participation of the employee to provide care during the period of treatment or supervision by a health care provider, and:

- (1) Involves inpatient care in a hospital, hospice, or residential health care facility; or
- (2) Requires continuing treatment or continuing supervision by a health care provider.

The Policy Advisory Board of Elder Affairs, Teamsters Local 996, Hawaii Aging Advocates Coalition, Hana Health, National Multiple Sclerosis Society All American Chapter – Hawaii Division, and numerous concerned individuals supported this bill. The Kokua Council and Hawaii Government Employees Association supported the intent of this measure. The Department of Labor and Industrial Relations, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, SHRM Hawaii, National Federation of Independent Businesses in Hawaii, and Hawaii Chamber of Commerce of Hawaii opposed this bill.

Your Committees have amended this bill by:

- (1) Providing for an eligible employee to collect up to two weeks of temporary disability insurance benefit payments to care for a family member; 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. 2520, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2520, H.D. 1, and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 204-08 Education on H.B. No. 2972

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 will:
 - (A) Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
 - (B) Recommend a list of areas for new school construction, and of schools for expansion, consolidation, or closure, subject to the review of the legislature;
 and
- (2) Directs the Board of Education to proceed with the process of constructing, expanding, consolidating, or closing underused schools according to the recommendations of the Commission, if the legislature does not disapprove of the recommendations in their entirety.

The Department of Budget and Finance testified in support of this bill. The Department of Education (DOE) opposed this measure.

Your Committee has amended this bill by:

- (1) Removing the specification that the facilities plan prepared by DOE include 30-year projections; and
- (2) Making technical, non-substantive 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. 2972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2972, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 205-08 Education/Higher Education/Labor & Public Employment on H.B. No. 2959

The purpose of this bill is to improve workforce development in the state by:

- (1) Appropriating funds for the Department of Education (DOE) to develop a comprehensive tracking system for students from kindergarten to grade twelve and beyond as they move into the workforce;
- (2) Appropriating funds for a community-based exchange coordinator position in DOE to facilitate and promote volunteerism and community partnerships within the public schools, and to enhance DOE's volunteer website;
- (3) Expanding the Running Start Program to offer eligible students opportunities to participate in internships established by the community-based exchange or DOE;
- (4) Establishing penalties for truant students and their parents or guardians;
- (5) Appropriating funds for the Educational Workforce Working Group (Working Group) to:
 - (A) Create a website for the dissemination of information regarding workforce development resources, initiatives, and programs within the state; and
 - (B) Submit additional reports of its findings and recommendations no later than 20 days prior to the convening of the regular sessions of 2009 and 2010, including information on its progress and any initiatives or programs implemented as a result of the passage of this bill;
- (6) Requiring the University of Hawaii (UH) to implement incentives to carry out UH's strategic plan and to implement performance-based budgeting; and
- (7) Appropriating funds for scholarships for working individuals over 18 years of age who are seeking training or instruction to establish a second career in employment-shortage areas.

The Workforce Development Council (Council), a member of the Council, two members of the Working Group, and a concerned individual testified in support of this bill. DOE, UH, and HiTech Quest supported the intent of this measure. The Judiciary offered comments.

Your Committees have amended this bill by:

- (1) Deleting all provisions except those pertaining to the Working Group; 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 and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2959, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2959, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, McKelvey, Nakasone, Shimabukuro, Meyer and Pine.

SCRep. 206-08 Transportation on H.B. No. 2952

The purpose of this bill is to assist in the renovation and development of car rental customer facilities at Hawaii's airports by:

- (1) Establishing a Car Rental Customer Facility Charge Special Fund (Special Fund); and
- (2) Authorizing the Department of Transportation (DOT) to establish and collect car rental customer facility charges to be deposited into the Special Fund.

Catrala Hawaii, The Hertz Corporation Hawaii Area, Avis Rent A Car, and Budget Rent A Car testified in support of this bill. Enterprise Rent-A-Car, Alamo Rent-A-Car of Oahu, National Car Rental of Oahu, Alamo Rent-A-Car of Hawaii, and National Car Rental of Hawaii testified in opposition to this measure. The Hawaii Insurers Council submitted comments.

The rental car industry plays a vital role in Hawaii's most important industry, tourism. To provide better customer service to individuals renting vehicles at our state's airports, improvements need to be made to the many facilities located at our airports that service rental car customers. Despite the substantial financial contributions rental car companies make to the State Airports System, improvements of rental car facilities have not been high on the priority list for repair and improvements. Allowing DOT to establish and collect car rental customer facility charges for deposit into a Special Fund to be used for these improvements is an innovative idea that deserves consideration.

However, your Committee understands that a number of concerns and questions regarding this particular piece of legislation remain unanswered. One such concern focuses on the fairness of charging the fee for customers of rental car companies that do not do business at an airport or are not located at an airport. Additionally, questions remain regarding the use of Special Fund moneys to finance facilities that may only be used by rental car companies presently located at Hawaii's airports, and whether fees collected at a particular airport should be used by other airports. Nevertheless, your Committee finds that this issue deserves further consideration and respectfully requests the Committees on Economic Development and Business Concerns and Finance to look further into these matters.

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. 2952 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 Har, McKelvey, Nakasone, Sonson and Takumi.

SCRep. 207-08 Transportation/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3415

The purpose of this bill is to help resolve jurisdictional issues over certain roads by:

- (1) Allowing any person to file a contested case hearing to determine jurisdiction over so-called "roads in limbo"; and
- (2) Establishing a process for determination of jurisdiction.

The Hawaii Association of REALTORS and several concerned individuals testified in support of this bill. The Department of Transportation (DOT), Department of Commerce and Consumer Affairs, Department of Land and Natural Resources, City and County of Honolulu, and Hawaii Building and Construction Trades Council, ALF-CIO testified in opposition to this measure.

The dispute over the jurisdiction of various roads throughout the state has been ongoing for several decades, originating to a time prior to statehood. Prior to 1947, counties had jurisdiction over, and were responsible for the maintenance of, all public highways in the Territory of Hawaii. However, in 1947, jurisdiction for certain highways and roadways was transferred to territorial agencies. Many of these highways and roads were federal-aid highways that would later evolve into highways under the jurisdiction of what is now DOT. Although the counties were supposed to maintain all public highways and roadways that were not under the jurisdiction of DOT, some were not maintained and fell into disrepair. The jurisdiction over some of these roads were also called into question and these roads began to be referred to as "roads in limbo".

While a number of counties have worked with DOT to resolve this issue and have accepted jurisdiction over a number of these "roads in limbo", some disputes still exist. Although your Committees understand that DOT has compiled a listing of roads considered to be "roads in limbo" and is currently planning on meeting with the four counties to continue to work toward developing practical solutions to solve these jurisdictional disputes, this measure may provide one solution to the problem and should be considered for further discussion.

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. 3415 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Luke, Morita, Nakasone, Sonson, Meyer, Pine and Thielen.

SCRep. 208-08 Consumer Protection & Commerce on H.B. No. 2256

The purpose of this bill is to find ways to improve the insurance marketplace by specifying that smaller insurers occupying less than ten percent market share may condition the issuance or renewal of one class of insurance on the purchase of another class of insurance or an additional policy of the same class.

The Hawaii Medical Assurance Association testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and State Farm Insurance Companies opposed this bill. The American Council of Life Insurers submitted comments.

Section 431:13-103(a)(4)(B), Hawaii Revised Statutes, prohibits insurers from making the purchase of one class of insurance contingent upon the purchase of another class of insurance or an additional policy of the same class. This "anti-bundling" provision is intended to protect consumers from being forced to purchase multiple types of insurance when the consumer is only interested in buying a specific policy.

However, it has been argued that insurers with limited market share lack the coercive power in the marketplace that the anti-bundling provision is intended to address. Your Committee also heard testimony claiming that an exemption from the anti-bundling provision would enhance the ability of smaller insurers to offer bundled insurance options at a lower cost to certain types of customers while promoting competition in the insurance marketplace. In light of these considerations, your Committee is moving this bill along with a defective date for further discussion on its merits.

Your Committee notes, however, that while it appears this bill is intended to apply only to small health insurers with limited market share, this bill as received by your Committee seems to apply to all types of insurers with less than ten percent market share.

Accordingly, your Committee has amended this bill by:

- (1) Limiting the application of this bill to accident and health or sickness insurers with no more than five percent market share;
- (2) Changing the effective date of this bill to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2256, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

SCRep. 209-08 Energy & Environmental Protection on H.B. No. 2330

The purpose of this bill is to promote the use of electric vehicles by exempting those vehicles from parking fees, high occupancy vehicle lane restrictions and other traffic control measures, and motor vehicle registration and licensing fees.

A member of the Hawaii County Council, the Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this bill. The High Technology Development Corporation supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Requiring that the incentives provided in this measure be reviewed every five years;
- (2) Requiring the Department of Transportation to submit a report to the Legislature every five years on the effectiveness of these incentives beginning with the Regular Session of 2013;
- (3) Excluding "neighborhood electric vehicles" from the provisions of this measure;
- (4) Removing the exemption for "other traffic control measures"; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2330, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2330, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee.

SCRep. 210-08 Consumer Protection & Commerce on H.B. No. 2699

The purpose of this bill is to improve the Uniform Probate Code (Probate Code) by:

- (1) Eliminating a statutory inconsistency regarding the payment of payable-on-death accounts, by clarifying that funds in these accounts may be distributed to the personal representative or heirs of the original account owner;
- (2) Limiting the parties who must be served copies of revised inventories of probate assets to those who actually request the new inventory information or a copy of the original inventory;

- (3) Allowing courts in guardianship and conservatorship proceedings to waive the requirement that the kokua kanawai (appointed as an extension of the court to conduct independent reviews) interview the respondent in a guardianship or conservatorship proceeding;
- (4) Giving access to kokua kanawai reports and professional evaluations to nominated guardians, nominated conservators, and their lawyers, to enable these persons to make decisions in guardianship and conservatorship proceedings that are in the best interest of respondents; and
- (5) Allowing courts in guardianship and conservatorship proceedings to waive or modify the requirement that the appointed guardian or conservator serve the ward or protected person a copy of the order appointing the guardian or conservator.

The Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State of Hawaii (Probate Committee) testified in support of this bill.

The Probate Committee was organized pursuant to a resolution adopted by the sixth annual Hawaii State Judicial Conference and consists of circuit court judges and attorneys practicing estate planning and probate law, all of whom have been appointed by the Chief Justice of the Hawaii Supreme Court. This bill includes changes to the Probate Code recommended by the Probate Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2699 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. 211-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3060

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to resell reserved housing units.

HCDA and the Office of Hawaiian Affairs testified in support of this bill.

Your Committee finds that Act 317, Session Laws of Hawaii 2006, which sought to prevent HCDA from alienating public lands within the Kakaako Community District, which it holds title to in its corporate capacity, also resulted in HCDA's inability to resell the reserved housing units that are bought back by HCDA. Under the HCDA program, reserved housing units are sold to Hawaii residents who:

- (1) Earn 140 percent or less of the median income;
- (2) Have not owned real property for the prior three years; and
- (3) Are owner-occupants, and not investors.

The buyback provisions allow homeownership opportunities to these low- to moderate-income residents while preventing "windfall" profits, by requiring that these residents first offer the unit to HCDA if they seek to sell the home. Once HCDA buys back the property, HCDA can resell the property to another qualified buyer. The passage of this bill will allow HCDA to offer these units to eligible residents.

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 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. 3060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3060, H.D. 1, and be referred to the Committee on Human Services & Housing.

Signed by all members of the Committee except Representative Thielen.

SCRep. 212-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2890

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to contract with archaeologists without regard to the procurement code and exempt contracts for archaeological services between DLNR and archaeologists from the requirements of the procurement code.

The Department of Accounting and General Services, Hawaii Government Employees Association, and Society for Hawaiian Archaeology opposed this measure. The State Procurement Office provided comments.

Your Committee has amended this bill by providing a repeal date of January 1, 2010.

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. 2890, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 2890, H.D. 1, and be referred to the Committees on Economic Development & Business Concerns and Labor & Public Employment.

Signed by all members of the Committee except Representative Thielen.

SCRep. 213-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3421

The purpose of this bill is to clarify that commercial projects developed on available Hawaiian home lands that are not used for homesteading purposes shall be developed in compliance with county zoning, subdivision, and other land use requirements. This requirement shall apply to any portion of a multipurpose project that is not a homestead project.

The City and County of Honolulu Department of Planning and Permitting, the Hawaii County Council, the Hawaii County Planning Department, a member of the Maui County Council, United Food & Commercial Workers Union, Local 480, Kanaka Council Moku O Keawe, and numerous individuals testified in support of this bill. The Department of Hawaiian Home Lands and Sovereign Councils of the Hawaiian Homelands Assembly opposed this measure. Several individuals 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, non-substantive 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. 3421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3421, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 214-08 Health on H.B. No. 3387

The purpose of this bill is to fill the void involving patient care in the field when hospital resources are not available due to proximity, damage, quarantine, or surge capacity. This bill appropriates an unspecified amount of funds for the Department of Defense (DOD) to begin necessary preparations to establish a mobile emergency hospital unit in Hawaii in cooperation with the Department of Health (DOH) as a shared resource between DOD and DOH.

The Hawaii Health Systems Corporation supported this bill. DOD and DOH submitted 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 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. 3387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3387, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 215-08 Judiciary on H.B. No. 2028

The purpose of the bill is to establish a three-year Hawaii cyber safety pilot program aimed at online safety for school children.

The Hawaii State Public Library System supported the measure explaining that educating and informing the children and their families will help avoid online dangers. The Department of Attorney General raised concerns about being responsible for this program because it already administers the Hawaii Internet Crime Against Children Task Force. The Department of Education supported the intent of this measure however, expressing concerns and requesting that the curriculum be developed collaboratively.

Your Committee notes the reservations expressed, however, your Committee believes there is value in continuing the discussion on this subject.

This bill has been amended by:

- (1) Changing the effective date to July 1, 2050, 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. 2028, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2028, H.D. 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 216-08 Judiciary on H.B. No. 2695

The purpose of this bill is to allow the Judicial Selection Commission to employ staff as it deems necessary to carry out its functions as required by the Hawaii State Constitution.

Testimony in support of this measure was received from the Attorney General and the Judicial Selection Commission. Testimony in opposition to this measure was received from the Hawaii Government Employees Association.

Your Committee has amended this measure by making nonsubstantive technical revisions and by changing its 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. 2695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2695, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 217-08 Judiciary on H.B. No. 466

The purpose of this bill is to provide sexual assault survivors with informed access to emergency contraception by:

- (1) Requiring hospitals and health facilities that provide medical care to these survivors to:
 - (A) Provide accurate information about emergency contraception;
 - (B) Inform survivors of the option to receive emergency contraception at the facility;
 - (C) Provide emergency contraception immediately, upon request; and
 - (D) Ensure that each person at the facility providing medical care to the survivor is trained regarding emergency contraception and sexual assault treatment;
- (2) Requiring that funding for emergency contraception be provided from the Domestic Violence and Sexual Assault Special Fund; and
- (3) Authorizing the Department of Health (DOH) to impose fines for violations of these requirements.

Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Sex Abuse Treatment Center, Community Alliance on Prisons, Democratic Women's Caucus, Oahu County Committee of the Democratic Party, Healthy Mothers Healthy Babies of Hawaii, Hawaii Women's Political Caucus, Planned Parenthood of Hawaii, Planned Parenthood of Hawaii-Action Network, and several individuals testified in support of this bill.

DOH, St. Francis Healthcare System of Hawaii, Hawaii Family Forum, and Roman Catholic Church in Hawaii 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. 466, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McKelvey. (Representatives Sonson, Souki and Pine voting no.)

SCRep. 218-08 Health on H.B. No. 3105

The purpose of this bill is to provide uniformity in the regulation of medical and osteopathic doctors by including osteopathic doctors under the same regulations and licensure provisions contained in chapter 453, Hawaii Revised Statutes, that govern medical doctors and surgeons.

The Board of Medical Examiners and Hawaii Medical Association 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 H.B. No. 3105 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 Belatti and Ward.

SCRep. 219-08 Health on H.B. No. 3148

The purpose of this bill is to maximize the use of limited bed spaces and resources at Hawaii State Hospital by providing treatment and review options for individuals on conditional release who may require further hospitalization.

The Department of Health, Judiciary, and Hawaii Psychiatric Medical Association testified in support of this bill.

Currently, when there is evidence that additional hospitalization is required of committed individuals on conditional release, the common practice is a revocation of the conditional release. The problem is that this requires the commitment of the individual for a minimum of 90 days. This bill clarifies the use of a shorter 72-hour hold of the individual in lieu of a revocation, by providing that for a conditionally released individual under a 72-hour hold, a court may conduct a hearing to determine whether the individual would benefit from further temporary hospitalization for a period of up to 90 days, subject to an extension.

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. 3148 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 Ward.

SCRep. 220-08 Health on H.B. No. 2393

The purpose of this bill is to improve Hawaii's critical shortage of health care providers in rural underserved areas of the state by providing financial support to students who complete a state-approved medical school program at the University of Hawaii (UH) and who agree to practice in rural areas of the state as designated by UH.

The Hawaii Medical Association, Hawaii Psychiatric Medical Association, and Consumer Lawyers of Hawaii supported this bill. The Department of Budget and Finance submitted comments.

Your Committee finds that this bill is an innovative step in addressing Hawaii's severe shortage of physicians in rural areas of the state. This measure complements others now moving through the Legislature, such as H.B. No. 2519, which establishes the Hawaii Health Corps Program and a loan repayment system for physicians who commit to work in health professional shortage areas of the state. The more we can do to overcome this health care challenge the better off our state will be. Your Committee on Higher Education is encouraged to ensure the continuation of these valuable programs.

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 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. 2393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2393, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 221-08 Education on H.B. No. 2794

The purpose of this bill is to assist charter schools with their facilities needs by proposing an amendment to the Hawaii Constitution to authorize the State to issue special purpose revenue bonds (SPRBs) to assist nonprofit corporations that support one or more charter schools, community development financial institutions benefiting one or more charter schools, and charter schools.

A member of the Board of Education, Kamehameha Schools, and Kanu O Ka Aina Learning Ohana testified in support of this bill. The Hawaii Association of Independent Schools and Hawaii Educational Policy Center supported the intent of this measure. The Department of Budget and Finance offered comments.

Your Committee has amended this bill by clarifying that the issuance of SPRBs is to assist charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools.

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. 2794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2794, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 222-08 Higher Education on H.B. No. 2043

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

- (1) Increasing to 26 years of age, the age limit for eligibility for a higher education board allowance;

- (2) Removing the eligibility requirement that a former foster youth attend or be accepted to attend an accredited institution of higher learning within one school year after completing high school;
- (3) Providing former foster youth who are between the ages of 22 and 26 on July 1, 2008, and who are already attending or have been accepted to attend an accredited institution of higher learning, the opportunity to apply for a higher education board allowance within a year; and
- (4) Extending the maximum benefit length to 60 cumulative months.

The Department of Human Services, Hawaii Family Forum, Hawaii Catholic Conference, Legal Aid Society of Hawaii, Hawaii Foster Parent Association, Hawaii Foster Youth Coalition, Children's Alliance of Hawaii, and several former and current foster youth 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. 2043, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 223-08 Higher Education on H.B. No. 2978

The purpose of this bill is to improve the state's higher education system that is vital to stimulating the economic growth and success of Hawaii by:

- (1) Establishing the Funding Formula Task Force to develop and equitable, consistent, and responsive funding formula for the distribution of fiscal resources throughout the University of Hawaii (UH) system, with the assistance of an independent consultant; and
- (2) Appropriating funds as a one-time allocation to address the base operational needs of UH campuses that have demonstrated a significant increase in enrollment.

The chancellor of UH at Hilo testified in support of this bill. UH supported this measure with amendments. The Office of Information Practices 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. 2978 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 and Ching.

SCRep. 224-08 Higher Education on H.B. No. 3436

The purpose of this bill is to provide an environment conducive to higher learning for Hawaii's students by:

- (1) Authorizing the issuance of \$100,000,000 in general obligation bonds for capital renewal and deferred maintenance items throughout the University of Hawaii (UH) system, UH at Hilo, UH at West Oahu, the UH community colleges, and UH at Manoa; and
- (2) Authorizing the issuance of \$13,250,000 in general obligation bonds for capital improvement projects to improve certain UH athletic facilities.

UH, UH at Manoa, the interim athletic director of UH, dean of the College of Engineering at UH at Manoa, members of the UH at Manoa Faculty Senate Executive Committee, members of the Associated Students of the UH, and numerous concerned individuals testified in support of this bill. A concerned individual offered comments.

Your Committee defers decision on the final amounts of the appropriations to be made, and therefore has amended this bill by changing all the appropriations to unspecified amounts.

Your Committee has further amended this bill by:

- (1) Deleting the statement that the \$50,000,000 requested by the Office of the Governor for UH system repair and maintenance must be increased to \$100,000,000;
- (2) Designating UH as the expending agency for the appropriations;
- (3) Changing the effective date to June 30, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3436, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 225-08 Higher Education/Health on H.B. No. 2165

The purpose of this bill is to address the shortage of nurses in Hawaii and respond to student interest by allowing an individual who has:

- (1) Received a bachelor's degree; and
- (2) Satisfactorily completed the pre-licensure portion of a master's entry program in nursing at an accredited school of nursing to apply for a license to practice as a registered nurse by examination.

The Board of Nursing, University of Hawaii, Hawaii State Center for Nursing, Hawaii Government Employees Association, and two concerned individuals testified in support of this bill.

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 H.B. No. 2165 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 Tokioka, Wakai and Finnegan.

SCRep. 226-08 Higher Education/Health on H.B. No. 2164

The purpose of this bill is to increase the sources of revenue available to support the Cancer Research Center of Hawaii (Center) by authorizing moneys in the Cancer Research Special Fund (Special Fund) to be used for capital expenditures. This bill also allows fees, charges, and other moneys received in conjunction with Center programs, and any transfers from other accounts or funds, to be deposited into the Special Fund.

The University of Hawaii testified in support of this bill.

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 H.B. No. 2164 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 227-08 Higher Education/Health on H.B. No. 2706

The purpose of this bill is to address a nursing shortage and provide incentives for students to choose a career in registered nursing in Hawaii by establishing a loan forgiveness program for individuals who receive a nursing degree from the University of Hawaii (UH) and are employed in the state as registered nurses.

The Office of Hawaiian Affairs testified in support of this bill. UH opposed this measure.

Your Committees note that an agency other than UH may be more appropriate to administer the loan forgiveness program.

Your Committees have amended this bill by:

- (1) Changing the effective date to January 1, 2050; 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 H.B. No. 2706, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2706, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tokioka, Wakai and Finnegan.

SCRep. 228-08 Economic Development & Business Concerns on H.B. No. 3052

The purpose of this bill is to support efforts to effectively regulate the sale of tobacco products by making permanent the provisions of Act 131, Session Laws of Hawaii 2005 (Act 131), which established retail tobacco permit requirements.

The Attorney General, Department of Taxation, American Lung Association, American Cancer Society Hawaii Pacific Inc., Hawaii Food Industry Association, American Heart Association, and Coalition for a Tobacco-Free Hawaii supported this bill.

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

- (1) Extending the sunset date of Act 131 to July 1, 2014, in lieu of repealing the sunset date and making this Act permanent;
- (2) Changing its effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3052, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 229-08 Health on H.B. No. 2915

The purpose of this measure is to appropriate funds for an educational program overseen by the University of Hawaii to assist candidates for nurse licensing examinations required under chapter 457, Hawaii Revised Statutes.

Testimony in support of the measure was received from the Hawaii Government Employees Association.

Your Committee finds that this measure will help to alleviate the nursing shortage by increasing the percentage of applicants passing the nursing licensure examinations, and thereby become available to work in their chosen profession at the earliest possible date.

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. 2915 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 Cabanilla and Shimabukuro.

SCRep. 230-08 Health/Human Services & Housing on H.B. No. 3352

The purpose of this measure is to require the Auditor to conduct a financial and management audit of the Hawaii Disabilities Rights Center, including the center's approach to resolving the conflict between a patient's right to privacy and the center's need for access to the patient's records.

Additionally, this measure appropriates funds for the Auditor to conduct the audit.

Your Committees received testimony in support of the measure from several concerned citizens. Testimony in opposition to this measure was received from the Hawaii Disability Rights Center.

Your Committees find that the Hawaii Disabilities Rights Center has been designated by the Governor under section 333F-8.5 to provide advocacy services to persons with developmental disabilities or mental illness. The center also receives state funding. Accordingly, your Committees find that an audit of the center is justified in order to determine whether the center is performing its mandate to provide those advocacy services. In particular, an audit is necessary to determine whether the center's access to the records of persons with developmental disabilities or mental illnesses go beyond the extent set by federal law.

Your Committees have amended this measure by changing the effective date to January 1, 2050 for the purposes of promoting continued discussion of the matter.

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. 3352, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3352, H.D. 1, and be referred to the Committee on Legislative Management.

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

SCRep. 231-08 Transportation on H.B. No. 2343

The purpose of this bill is to enhance public safety and law enforcement by improving the expeditiousness and efficiency of Hawaii's traffic citation system by:

- (1) Authorizing the assessment of a \$4 administrative fee on all citations issued for traffic code violations for the establishment of an electronic citation system (System);
- (2) Establishing an Electronic Citation System Special Fund (Fund);
- (3) Specifying that an equal share of the administrative fee be divided between the county police department that issued the citation and the Judiciary to establish the System; and
- (4) Exempting the Fund from the standard deduction from special funds taken to defray administrative and other expenses incurred by the department responsible for the operations supported by the particular special fund.

The Honolulu Police Department testified in support of this bill. The Judiciary and Catrala Hawaii supported the intent of the bill.

Currently, law enforcement officers issue paper traffic citations that must be manually transmitted to the courts. This method is time consuming and lacks efficiency. According to the Judiciary, although motorists are allowed to pay various traffic citations electronically, they must wait until the citation is entered into the computer system, which could take 13 days or longer. This is because paper citations need to be transported to the court and the information manually entered into a computer. Establishing a System will allow for citation information and data to be transmitted in a timely manner and entered into the computer system more accurately and efficiently.

However, your Committee understands the concerns raised by Catrala-Hawaii that U-drive companies already pay an established fee for citations received by their renters and lessees. Moreover, your Committee notes that the Judiciary raised concerns regarding the specificity of the disbursement of their share of the fee and the short time frame for the implementation of this new program. Accordingly, your Committee has amended this bill by:

- (1) Providing that U-drive companies shall only be responsible for the administrative fees they are currently paying for citations received by their renters and lessees;
- (2) Specifying that the portion of the administrative fee due the Judiciary be disbursed to the Judiciary Computer Special Fund;
- (3) Amending the date the administrative fee can start being collected to July 1, 2009; and
- (4) Changing the effective date to January 1, 2009, to allow more time for proper implementation of the new program.

Other technical, nonsubstantive amendments were 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. 2343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2343, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 232-08 Labor & Public Employment on H.B. No. 2929

The purpose of this bill is to bring impartiality to the independent medical examination (IME) process in the workers' compensation system by:

- (1) Requiring that mutually agreed upon physicians be used to conduct IMEs; and
- (2) Establishing a process for the appointment of a physician to conduct an IME if the parties cannot mutually agree on a physician to conduct the IME.

The Hawaii Chapter-American Physical Therapy Association, Vocational Management Consultants, The American Insurance Institute, and two concerned individuals testified in support of this bill. The Hawaii State Chiropractic Association and ILWU Local 142 supported the intent of this measure. The Hawaii Medical Association and Hawaii Employers' Mutual Insurance Company commented on this bill.

The workers' compensation law was established as a "no-fault" law to provide an injured worker 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.

Unfortunately, these disputes often carry over into the medical examination process. IMEs, which were intended to provide a fair and impartial assessment of the medical care being given to a patient and the future medical needs of that patient, are often points of contention with both employers and employees making accusations regarding the fairness of the IME. This measure is an attempt to bring balance to the system by providing that mutually agreed upon physicians be used for conducting IMEs and establishing a process for appointing a physician should the parties not be able to agree upon a physician.

However, your Committee understands that workers' compensation is a complex issue and that concerns regarding the fairness and equity of the system proposed in this bill remain. Accordingly, your Committee has attempted to address these concerns and has amended this measure by:

- (1) Clarifying that this measure applies to IMEs and permanent impairment rating examinations by physicians;
- (2) Requiring that a claim be filed by the injured employee prior to the employer being allowed to appoint a mutually agreed upon physician paid by the employer rather than allowing the employer to appoint a mutually agreed upon physician during a period of disability where the employer is dissatisfied with the progress of the case or where major or elective surgery, or both, is contemplated;
- (3) Stipulating the appointed physician be a qualified physician;
- (4) Allowing the appointed physician to conduct either an IME or permanent impairment rating examination of the injured employee;

- (5) Removing the provision allowing the report made by the appointed physician to constitute substantial evidence and allowing the employer to forward this report to the Director of Labor and Industrial Relations (Director);
- (6) Amending the procedures for the appointment of a physician by the Director if a mutually agreed upon physician is not appointed by the employer by:
 - (A) Requiring the Director to keep and maintain a list of qualified physicians including their respective qualifications;
 - (B) Requiring that the request for the appointment of a physician by the Director be in writing;
 - (C) Removing the requirement that the Director designate three physicians who agree to be subject to peer review and to abide by fair, impartial, and ethical examination and reporting standards in examining an injured employee for the appropriate injury and instead allow the Director to appoint a physician licensed in a relevant medical specialty and licensed to practice in Hawaii;
 - (D) Removing the procedures that required an employer to select a physician from a list provided by the Director within a certain timeframe and schedule examinations for injured employees based upon the availability of the physician in the order on which they appeared on the list supplied by the Director;
 - (E) Deleting the provisions allowing for further examination by an employer's physician with an employee's physician present during the examination; and
 - (F) Requiring the physician appointed by the Director to be willing to undertake the examination within seven days of the Director's receipt of the request for the appointment of a physician;
- (7) Requiring an examination of an employee to occur within 30 days, whether the physician is mutually selected or appointed by the Director;
- (8) Stipulating that IMEs and permanent impairment rating examinations shall not be combined into a single medical examination unless the injured employee consents in writing prior to scheduling the examination;
- (9) Stipulating that the Director, appellate board, or court shall not order more than one employer requested IME and one permanent impairment rating per case unless good and valid reasons exist with regard to the medical progress of the employee's treatment;
- (10) Establishing requirements that physicians must meet to be selected to conduct IMEs or permanent impairment rating examinations;
- (11) Allowing an employer to appoint a physician, paid for by the employer but selected by mutual agreement of the parties, to conduct a permanent impairment rating examination of the injured employee when the injured employee has been determined to have attained medical stability by their attending physician;
- (12) Defining "medical stability";
- (13) Changing the effective date to July 1, 2059, to encourage further discussion.

Other technical, nonsubstantive amendments were 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. 2929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2929, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 233-08 Labor & Public Employment on H.B. No. 2407

The purpose of this bill is to improve the workers' compensation system with regard to professional employment organizations (PEOs) by:

- (1) Requiring PEOs to:
 - (A) Register with the Insurance Commissioner;
 - (B) Maintain separate records for payroll and work-related injuries and illnesses; and
 - (C) Provide each client company with payroll and loss experience records related to workers' compensation insurance;

and

- (2) Prohibiting insurers from issuing a workers' compensation policy to any PEO not registered with the Insurance Commissioner.

The Department of Commerce and Consumer Affairs (DCCA) supported the intent of this bill. The National Association of Professional Employer Organizations, ALTRES, Inc., and the Hawaii Employers' Mutual Insurance Company testified in opposition to this measure.

PEOs provide services to businesses that can reduce their client's labor costs and allow their clients to concentrate on their customers. These services also allow a PEO's client to provide their employees and employees' family members with comprehensive and affordable benefits. However, because of the unique nature of PEOs, there is no mechanism to track certain statistics and issues such as the individual experience and utilization of workers' compensation by customers of PEOs. This measure attempts to address this situation.

Your Committee is aware of the concerns raised by DCCA as to whether the Department of Labor and Industrial Relations (DLIR) would be better suited as the department with which PEOs should register since DLIR has jurisdiction over employers. However, DLIR stated that it is more of an oversight and enforcement agency on issues involving workers' compensation and feels that workers' compensation insurance rate and experience issues would be better addressed by DCCA. Nevertheless, this measure deserves further consideration and these jurisdictional issues can be addressed as this bill proceeds through the legislative process.

Your Committee has amended this measure by:

- (1) Changing its 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. 2407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2407, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 234-08 Labor & Public Employment on H.B. No. 2575

The purpose of this bill is to continue to enhance access to government services for persons with limited English-language proficiency by:

- (1) Clarifying several definitions within Hawaii's language access law;
- (2) Adding the definitions of "purchase-of-service contract" and "written language services" to Hawaii's language access law;
- (3) Requiring certain entities to:
 - (A) File a language access plan with the Office of Language Access (OLA); and
 - (B) Designate a language access coordinator;
 and
- (4) Expanding the Language Access Advisory Council (LAAC) from 11 members to 15 members.

The Congress of Visayan Organizations and Judiciary testified in support of this bill. OLA supported the intent of this measure. The Hawaii Civil Rights Commission (HCRC) and Na Loio-Immigrant Rights and Public Interest Legal Center (Na Loio) supported parts of the measure but opposed and had serious concerns regarding other parts of the measure.

Persons who do not speak English as a primary language compose a significant portion of Hawaii's population. However, many individuals with limited English proficiency sometimes have difficulty obtaining services from state agencies because of their limited ability with the English language. As a result of this need, the Legislature passed legislation that was enacted as Act 290, Session Laws of Hawaii 2006, which began to address the language access needs of limited English proficient persons.

However, your Committee understands the concerns raised by HCRC and Na Loio regarding the jurisdiction of OLA over non-profit organizations and the unintended, negative impact the requirement for non-profit organizations to submit language access plans and designate language access coordinators may have on the non-profit organization.

Your Committee finds that we must strive to continue to ensure that all residents of Hawaii, including non-English speakers and limited-English speakers, enjoy full access to and participation in the life of our community and that the establishment of a language access bank would go a long way toward achieving this goal.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that a "purchase-of-service contract" includes formal written agreements between the State and any person and not just another legal entity;

- (2) Removing the Office of Hawaiian Affairs as a branch of the state government under the definition of "State" or "State agency";
- (3) Deleting language that required covered entities to file a language access plan with OLA and designate a language access coordinator;
- (4) Specifying that the four additional LAAC members have an interest in language access;
- (5) Clarifying that one of the ex-officio LAAC members is the Executive Director of OLA;
- (6) Inserting an appropriation of \$189,500 for the establishment of a language access bank within the Department of Labor and Industrial Relations to ensure meaningful access by limited English proficient persons to state-funded services; 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. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2575, H.D. 1, and be referred to the Committee on Human Services & Housing.

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

SCRep. 235-08 Labor & Public Employment on H.B. No. 3169

The purpose of this bill is to improve and better prepare Hawaii's workforce to compete in an increasingly global economy by:

- (1) Establishing a voluntary Lifelong Learning Accounts Program (Program) within the Department of Labor and Industrial Relations (DLIR);
- (2) Providing a tax credit for individual taxpayers equal to 100 percent of the payments made by the taxpayer into a lifelong learning account during the taxable year; and
- (3) Providing a non-refundable tax credit that is equal to 100 percent of the contributions made by an employer into an employee's lifelong learning account for any employer that matches the contributions made by the employee into a lifelong learning account.

The Hawaii Workforce Development Council, Department of Taxation, Department of Business, Economic Development & Tourism, and the Chamber of Commerce of Hawaii testified in support of this bill. The Tax Foundation of Hawaii submitted comments.

The pace of technological change and the ability for the workforce to adapt to the change is difficult without the ongoing training of our existing workforce. An effective workforce development program not only results in a highly skilled workforce, but also serves to attract business and economic investment to our state.

Although the benefits of further educating and training incumbent workers have been well documented by the various agencies and organizations involved in this endeavor, the lack of funds available to employees for these purposes hinders their development. This, in turn, has a negative impact on the entire economy. By establishing a Lifelong Learning Accounts Program, and providing incentives to both employers and employees to use this Program, Hawaii can begin developing a workforce enabling the state to compete in an ever-increasing global market.

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. 3169 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 Nakasone and Souki. (Representative Har voted no.)

SCRep. 236-08 Agriculture/Energy & Environmental Protection on H.B. No. 3033

The purpose of this bill is to enhance the ability of the Department of Agriculture to prevent the importation of pests into the state by, among other things:

- (1) Requiring shippers and transporters to provide advance written notification of arrival of articles transported into the state, or from one island of the state to another, as freight, air freight, baggage, or otherwise, for the purpose of debarkation or entry, or as ship's stores;
- (2) Allowing a DOA inspector to order the quarantine of, or hold for examination, any freight, air freight, or baggage, transported for the purpose of debarkation or entry, or as ship's stores, when any person fails to comply with any of the notification requirements; and
- (3) Expanding the range of articles subject to advance notification and possible inspection to include non-agricultural articles capable of harboring pests.

DOA, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, The Nature Conservancy of Hawaii, and the Coordinating Group on Alien Pest Species supported this bill. Conservation Council for Hawaii supported the intent of this measure. Dole Food Company Hawaii supported the intent of this bill with concerns.

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. 3033 and recommend that it pass Second Reading and be referred to the Committee on Transportation.

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

SCRep. 237-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2292

The purpose of this bill is to improve the operational flexibility of the Agribusiness Development Corporation (ADC) and preserve valuable agricultural lands by, among other things:

- (1) Specifying that the Legislature, through a bill enacted into law, may authorize ADC to acquire agricultural lands for the protection of agricultural lands, public land banking, or promotion of farm ownership and diversified agriculture;
- (2) Specifying that the landowner who agrees to the sale of lands shall receive payment:
 - (A) In a lump sum;
 - (B) From revenues derived from the issuance of revenue bonds by the ADC; or
 - (C) Through an installment purchase agreement;
- (3) Establishing requirements for the use of installment purchase agreements including the purchase of U.S. Treasury zero coupon bonds;
- (4) Authorizing ADC to acquire specific agricultural lands located on Oahu and owned by the Galbraith Estate through a lump sum payment or an installment purchase agreement;
- (5) Authorizing ADC to purchase, accept, and maintain permanent conservation easements, or transfer these easements to qualified land trust in accordance with the federal Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (6) Allowing ADC to contract with certain financial institutions to provide lease management services when leasing ADC-controlled agricultural land.

The Hawaii Farm Bureau Federation, Wahiawa Community and Business Association, The Trust for Public Land, HPC Foods, Ltd., and several concerned individuals supported this bill. ADC, Hawaii Agriculture Research Center, and the Hawaii Egg Producers Association supported the intent of this measure. The Department of Budget and Finance, Bank of Hawaii, and a concerned individual submitted comments.

Your Committees find that preserving high-quality agricultural lands for agricultural use is critical to ensuring a viable future for our agricultural industry. This bill represents an important component in the efforts to accomplish this goal. However, your Committees recognize that several issues were raised during the public testimony. Concerns were raised regarding some of the financing mechanisms contained in this measure, including the feasibility of revenue bond financing, as well as ADC's lack of experience with U.S. Treasury zero coupon bonds to be used for installment purchase agreements. General obligation bonds were suggested as an alternative to these financing mechanisms. In addition, issues relating to land ownership by the State, including liability concerns, should continue to be discussed as this bill makes its way through the legislative process.

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. 2292 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 238-08 Agriculture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2454

The purpose of this bill is to establish incentives for taro cultivation by requiring the Board of Land and Natural Resources to provide reduced lease rent rates at the beginning of a lease to qualified farmers who farm taro on public land.

The Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, and the Hawaiian Political Action Council of Hawaii supported this bill. The Department of Agriculture did not support this bill. The Department of Land and Natural Resources opposed this measure. Several concerned individuals submitted comments.

Your Committees are aware of the existing ongoing dialogue between state agencies and taro farmers and other interested stakeholders. This measure is not intended to interfere with these collaborative discussions. Instead, the intent of this measure is to provide additional resources to support, preserve, and protect taro and taro farming in the state.

In addition, your Committees note that Hawaii's public trust lands under the Department of Hawaiian Home Lands are leased for \$1 per year. As this measure makes its way through the legislative process, your Committees respectfully request future legislative efforts to consider the establishment of \$1 lease rent rates for the lands leased to qualified taro framers under this measure.

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. 2454 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Berg.

SCRep. 239-08 Agriculture on H.B. No. 2453

The purpose of this bill is to preserve the cultural legacy of taro farming for future generations by requiring the Department of Agriculture (DOA) to:

- (1) Develop and implement a taro farming grant program to assist taro farmers; and
- (2) Appropriate funds for the program.

The Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, and the Hawaiian Political Action Council of Hawaii supported this bill. DOA and the Hawaii Agriculture Research Center supported the intent of this measure. The University of Hawaii did not support this bill. Several concerned individuals submitted comments.

Your Committee is aware of the existing on-going dialogue between state agencies and taro farmers and other interested stakeholders. This measure is not intended to interfere with these collaborative discussions. Instead, the intent of this measure is to provide additional resources to support, preserve, and protect taro and taro farming 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. 2453 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. 240-08 Agriculture on H.B. No. 2501

The purpose of this bill is to prevent and control the spread of pests and illegal organisms by statutorily establishing, and providing funds for, the Department of Agriculture's Biosecurity Program.

The Department of Agriculture (DOA), Department of Transportation, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Conservation Council for Hawaii, Coordinating Group on Alien Pest Species, and the Sierra Club, Hawaii Chapter, supported this bill. The Department of Land and Natural Resources supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Clarifying that DOA may dispose of, instead of destroy, covered pests and other illegal organisms under the Biosecurity Program; 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. 2501, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2501, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 241-08 Agriculture on H.B. No. 3309

The purpose of this bill is to support the programs of the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR) by appropriating funds for the acquisition of lands and related improvements for use by UH-CTAHR.

The Hawaii Farm Bureau Federation supported this bill. The University of Hawaii, the Hawaii Agriculture Research Center, and the Hawaii Crop Improvement Association supported this bill with amendments. The Department of Agriculture and the Agribusiness Development Corporation supported the intent of this measure. A concerned individual submitted comments.

In light of the recommendations provided by UH-CTAHR in its public testimony and supported by other testifiers, your Committee has amended this measure by deleting the provision for the acquisition of lands and related improvements and, instead, specifying that the appropriation is to be used to cover the expenses incurred by UH-CTAHR in moving its agribusiness incubator and Poamoho station projects and personnel to the Kunia site. Other technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3309, H.D. 1, and be referred to the Committee on Higher Education.

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

SCRep. 242-08 Human Services & Housing on H.B. No. 2128

The purpose of this bill is to enhance public safety and prevent domestic violence by classifying as an assault in the second degree and terroristic threatening in the first degree, certain actions committed against individuals, who the courts and police are attempting to keep safe, through family court domestic abuse protective orders and police orders.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, Voices, and Hawaii Family Forum testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee defers to the Committee on Judiciary on technical and other issues raised by the testifiers. Your Committee notes that this measure serves as a deterrent since actions that are currently classified as misdemeanors would become Class C felonies, thus enhancing the penalties for those actions.

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. 2128 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 243-08 Human Services & Housing on H.B. No. 2558

The purpose of this bill is to authorize the Department of Human Services (DHS) to conduct unannounced visits to a parental home in which a child lives where a member of the household has been convicted or adjudicated of certain child abuse or neglect offenses.

DHS offered comments on this bill.

Your Committee has amended this bill by:

- (1) Inserting provisions to establish a one-year Well Child Follow-up Visit Pilot Project (Pilot Project) that includes:
 - (A) Allowing DHS to visit with families who have been investigated by Child Welfare Services, on a case-by-case basis, subject to the appropriation of funds;
 - (B) Requiring DHS to submit reports on the Pilot Project prior to the Regular Sessions of 2009 and 2010; and
 - (C) Appropriating \$1,000,000 for the 2008-2009 fiscal year for the Pilot 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 H.B. No. 2558, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2558, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 244-08 Consumer Protection & Commerce on H.B. No. 1969

The purpose of this bill is to determine the appropriate extent of mandatory workers' compensation coverage by exempting services performed by:

- (1) A partner for a partnership;
- (2) A partner with at least a 50 percent transferable interest in a limited liability partnership;
- (3) A member with at least a 50 percent distributional interest in a limited liability company; and
- (4) A sole proprietor for the sole proprietorship.

The Chamber of Commerce of Hawaii, Hawaii Business League, National Federation of Independent Business, Risk Solution Partners, LLC, and a concerned individual testified in support of this bill. ILWU Local 142 opposed this measure. The Hawaii Independent Insurance Agents Association submitted comments.

This bill provides exemptions from mandatory workers' compensation coverage in cases where the employees to be covered are owners or partners who are unlikely to file a workers' compensation claim or sue themselves for work-related injuries. On the other hand, creating additional exemptions from the workers' compensation law may have impacts on premiums and the affordability of coverage. Your Committee is moving this bill along to facilitate further discussion of these issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1969, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

SCRep. 245-08 Consumer Protection & Commerce on H.B. No. 3080

The purpose of this bill is to enhance the ability of public utilities to respond to the emergency needs of their customers by allowing public utilities to transfer, assign, or otherwise dispose of property without prior approval from the Public Utilities Commission (PUC) when rendering aid to customers in certain exigent circumstances in order to:

- (1) Prevent serious disruption of essential public services;
- (2) Avoid serious risk to public safety; or
- (3) Mitigate severe economic losses to the customer.

This bill also requires the public utility to provide a detailed report to PUC within 30 days of such disposition of property, unless otherwise approved by PUC.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, PUC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and The Gas Company testified in support of this bill.

Under section 269-19, Hawaii Revised Statutes, public utilities are required to obtain prior approval from PUC before disposing of or encumbering property necessary or useful to their performance of public duties. This requirement ensures that public utility resources and operations are maintained at a level that serves the public interest.

However, certain time-sensitive situations may call for faster responses to customer emergencies. For example, a power outage may require the procurement of materials that a public utility may have in its inventory and be able to provide more quickly if it did not need to obtain prior PUC approval. This bill affords public utilities this flexibility while including protections to ensure that the utility's services for customers are not unduly hindered or degraded.

Your Committee has amended this bill by:

- (1) Clarifying that its provisions do not apply to the disposition of real property by public utilities; and
- (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. 3080, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3080, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 246-08 Health on H.B. No. 2914

The purpose of this measure is to designate a new or expanding skilled nursing facility located outside of a state enterprise zone as a business eligible for enterprise zone benefits.

Your Committee received testimony from the Department of Business, Economic Development, and Tourism that supported the concept of the measure, and from the Department of Taxation that provided comments. Your Committee also received testimony from a concerned individual.

Your Committee finds that as the State's aged population increases, so does the demand for skilled nursing facilities. Your Committee further finds that state support for nursing facilities is necessary to ensure the viability and growth of these facilities to address the needs of the aged and disabled.

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. 2914 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 Shimabukuro.

SCRep. 247-08 Health on H.B. No. 3150

The purpose of this bill is to clarify the reporting requirements found in the Hawaii Emergency Planning and Community Right-to-Know Act.

Specifically, this bill separates the different reporting requirements for "hazardous substances" and "extremely hazardous substances" to eliminate confusion and ensure that businesses properly file the required chemical inventory reports for "extremely hazardous substances" and pay the fee.

Your Committee received testimony in support of this measure from the Department of Health and the City and County of Honolulu Local Emergency Planning Committee. No opposing testimony was received.

Your Committee finds that the misinterpretation concerning the reporting requirements has led to inaccurate information concerning hazardous chemicals, which poses potential risks to emergency responders and the community during emergency situations involving these chemicals. This measure will result in more accurate reporting by facilities, which in turn will allow emergency responders to better prepare for any emergency involving hazardous chemicals.

Upon further consideration, your Committee has amended this bill by changing the effective date from "upon approval" to "January 1, 2050" 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 H.B. No. 3150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3150, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 248-08 Health on H.B. No. 1598

The purpose of this bill is to provide universal health care for all Hawaii residents.

Specifically, this bill creates a unified, single-payer, universal health care insurance system, similar to the health care system in Canada, and administered by the State Healthcare Insurance Planning and Financing Authority, trustee-members of which are elected, using a universal healthcare provision fund to cover medically necessary health care for all permanent Hawaii residents. The bill prohibits private health care insurers from duplicating the coverage provided by the universal health care insurance system. The bill transfers the functions of the State Health Planning and Development Authority to the State Healthcare Insurance Planning and Financing Authority and assigns the Authority as the state liaison with the federal Centers for Medicare and Medicaid Services. The bill further transfers the functions of the Hawaii Employer-Union Health Benefits Trust Fund to the Authority. The Authority is required to assess temporary progressive income and general excise surtaxes for start-up and maintenance of the universal healthcare system.

Your Committee received testimony in support of this bill from a councilmember of the Hawaii County Council, the Hawaii County Council, the Hawaii Alliance for Retired Americans, the Progressive Democrats of Hawaii, Physicians for a National Health Program, Americans for Democratic Action, Hawaii Chapter, and fifteen individuals. Testimony in opposition was received from the Department of Commerce and Consumer Affairs, the Department of Budget and Finance, the Hawaii Medical Association, the Healthcare Association of Hawaii, and the Hawaii Association of Health Plans. The Attorney General and the ILWU Local 142 offered comments.

Upon further consideration, your Committee has amended this bill by amending the effective date to July 1, 2050 for the purpose of stimulating further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1598, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro. (Representative Ward voted no.)

SCRep. 249-08 Human Services & Housing/Health on H.B. No. 2447

The purpose of this bill is to continue to ensure access to psychotropic medications by Medicaid recipients by extending the sunset date of the statutory provision from June 30, 2008, to June 30, 2011.

The Department of Human Services testified in support of the intent of this bill, suggesting that access to psychotropic medications by Medicaid recipients be made permanent.

Your Committees have amended this bill by repealing the sunset date of the provision, thereby providing permanent access to psychotropic medications by Medicaid recipients.

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. 2447, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2447, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 250-08 Human Services & Housing/Health on H.B. No. 2334

The purpose of this bill is to protect pregnant women by establishing mandatory minimum prison terms for individuals who commit a felony against a pregnant woman and cause the pregnant woman serious or substantial bodily injury.

The Roman Catholic Church in the State of Hawaii, Hawaii Family Forum, and Hawaii Family Law Clinic testified in support of this bill. The Department of the Prosecuting Attorney of the City and County of Honolulu supported the intent of this measure. A concerned individual opposed this bill. The Office of the Public Defender offered comments. A concerned individual opposed this bill.

Your Committees defer to the Committee on Judiciary on technical and other issues raised by the testifiers. Your Committees note that this measure does not impact abortion rights and issues.

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. 2334 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 251-08 Health on H.B. No. 3157

The purpose of this bill is to protect the financial stability of Hawaii's healthcare system by allowing healthcare providers to receive payments for services rendered directly from insurers, mutual benefit societies, or health maintenance organizations when a healthcare provider does not have a contract with an insurer.

The Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, Hawaii Psychiatric Medical Association, Healthcare Association of Hawaii, Hawaii Medical Association, Hawaii Government Employees Association, and numerous concerned individuals testified in support of this bill. AARP supported the intent of this measure. The Hawaii Medical Services Association, Hawaii Association of Health Plans, and ILWU Local 142 testified in opposition to this bill. Kaiser Permanente and American Family Life Assurance Company of Columbus submitted comments.

Currently, if an individual uses the services of a non-participating healthcare provider, the healthcare payer makes a payment to the individual that received the services. The healthcare provider is then faced with the problem of having to collect the fee for service directly from the patient, which adds collection and other costs to the healthcare provider and may result in these costs being passed on to the individual receiving the services.

It is not the intention of your Committee to increase healthcare costs for consumers with this legislation. Rather, this legislation is meant to encourage insurers to negotiate more readily with healthcare providers.

Your Committee has amended this measure by:

- (1) Inserting a provision to repeal this legislation on May 1, 2013; and
- (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. 3157, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3157, 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. (Representative Rhoads voted no.)

SCRep. 252-08 Health on H.B. No. 2796

The purpose of this bill is ensure that insurers that hold a significant portion of the health insurance market contribute more to support Hawaii's health care system by:

- (1) Providing that health insurers with at least 50 percent of the market share provide increased insurance reimbursements; and
- (2) Exempting health insurers with less than 50 percent of the market share from taxes on premiums if they work toward decreasing the number of uninsured in Hawaii.

The Healthcare Association of Hawaii and Hawaii Psychiatric Medical Association supported this bill. The Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and AlohaCare opposed this measure. The American Council of Life Insurers submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that this measure applies only to insurers providing health insurance in accordance with Hawaii's Prepaid Health Care Act;

- (2) Providing that health insurers with at least ten percent of the market share provide reimbursement rates of at least 135 percent of the current Medicare fee schedule;
- (3) Exempting health insurers with less than ten percent of the market share from taxes on premiums if they work toward decreasing the number of uninsured in Hawaii; 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. 2796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2796, 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. 253-08 Energy & Environmental Protection on H.B. No. 2434

The purpose of this bill is to reduce waste and protect Hawaii's environment by requiring certain businesses to provide to customers upon checkout only recyclable paper bags, compostable plastic bags, or reusable bags.

The Windward Ahupua'a Alliance, Hawaii's Thousand Friends, and Beach Environmental Awareness Campaign testified in support of this bill. The Hawaii Food Industry Association and Retail Merchants of Hawaii opposed this measure. The Department of Health (DOH) provided comments.

Your Committee notes that there is a need to reduce the importation of plastic bags into the state, increase recycling of plastic bags, and decrease litter. After further consideration, your Committee has amended this bill by replacing its contents with provisions that, among other things:

- (1) Establish the Plastic Carryout Bag Recycling Program (Program);
- (2) Limit the Program to stores:
 - (A) With over 10,000 square feet of retail space and a pharmacy; or
 - (B) That are full-line, self-service retail stores with gross annual sales of \$2,000,000 or more which sell lines of dry groceries, canned goods, nonfood items, and perishable goods;
- (3) Require qualifying stores to establish an at-store recycling program for customers to return clean plastic carryout bags and purchase reusable bags; and
- (4) Require DOH to provide a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2010.

Additionally, the effective date of this measure was amended to July 1, 2009.

As amended, this measure is intended to provide businesses an opportunity to solve this problem by developing a program with minimal government intervention. However, if the problem is not resolved in a timely manner, other solutions may need to be explored such as a complete ban of plastic bags or a surcharge for the use of plastic bags.

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. 2434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2434, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Carroll.

SCRep. 254-08 Energy & Environmental Protection on H.B. No. 2506

The purpose of this measure is to direct the legislative reference bureau to conduct a study to determine the most effective and efficient options for reorganizing the state agencies responsible for issues relating to energy and environmental protection.

Specifically, the measure would require preparation of a report that:

- (1) Identifies the State's overall energy and environmental planning goals;
- (2) Identifies the current statutorily tasked roles for energy and environmental planning in the State, actual performance of these roles, and the gaps between the two;
- (3) Identifies overlap between various agencies' responsibilities;
- (4) Identifies the gap between the State's overall energy and environmental planning goals and the achievement of these goals;

- (5) Evaluates how other states have successfully reorganized and restructured agencies, including budgetary consequences of replicating those state's structures;
- (6) Recommends the most effective and efficient options available to reorganize current governmental structure to best achieve the State's energy and environmental protection planning goals; and
- (7) Suggests possible roles and responsibilities of the newly reorganized agencies.

Testimony in support of this measure was submitted by a member of the Hawaii County Council. Testimony in opposition was submitted by the Department of Agriculture, the Department of Business, Economic Development, and Tourism, and the Department of Land and Natural Resources. The Legislative Reference Bureau submitted comments.

Your Committee has amended this measure to focus the study on reorganization of state agencies as their responsibilities relate to the State's long-term energy strategy. Specifically, the study would:

- (1) Identify the statutory responsibilities of state agencies that are integral to successfully achieving state energy objectives;
- (2) Identify any duplication or deficiency in these state agencies' responsibilities relating to state energy objectives;
- (3) Research how other states address similar deficiencies in the administration of their energy policies; and
- (4) Make recommendations regarding how the state agencies can be reorganized to advance the long-term energy strategy.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2506, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Carroll.

SCRep. 255-08 Energy & Environmental Protection on H.B. No. 3068

The purpose of this bill is to ensure that more renewable resources will be deployed in energy generation to meet the renewable portfolio standards with attendant reductions in greenhouse gas emissions, replacement of fossil fuel oil, and other economic and environmental benefits by requiring that 20 percent of classic electricity generation shall be produced using renewable sources by December 31, 2020.

The Department of Business, Economic Development, and Tourism (DBEDT) and Sierra Club – Hawaii Chapter supported this bill. The Division of Consumer Advocacy of DBEDT supported the intent of this measure. Honolulu Seawater Air Conditioning, LLC, Hawaii Solar Energy Association, and Hawaii Renewable Energy Alliance opposed this bill. Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Legislative Information Services of Hawaii, Inc., submitted comments.

Your Committee has amended this bill by:

- (1) Providing for the use of renewable displacement or off-set technologies, as well as electrical energy savings made available through the use of energy efficiency technologies until a separate energy efficiency portfolio standard is established to meet the renewable portfolio standards;
- (2) Defining "energy efficiency portfolio standard" as the requirement that electric utilities meet a portion of their annual increase in electricity demand through energy efficiency measures;
- (3) Establishing that at least 75 percent of the renewable portfolio standards must be met by electrical energy generated using renewable energy as the source; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3068, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3068, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

SCRep. 256-08 Energy & Environmental Protection on H.B. No. 3069

The purpose of this measure is to require the State Energy Resources Coordinator to develop and maintain a comprehensive and systematic procedure to analyze the status of energy resources, systems, and markets for state energy policy and planning purposes.

The measure also:

- (1) Updates definitions related to biofuels and alternate energy fuels and the proliferation of new categories and specifications of petroleum fuels;

- (2) Addresses the increase in the variety of fuels and fuel production imported into the State and fuel infrastructure requirements;
- (3) Establishes policy guidance with respect to energy data analyses and the State's energy program and delineates roles and responsibilities of state agencies conducting energy data functions; and
- (4) Provides statutory support for the energy resources coordinator.

Your Committee received testimony in strong support of the measure from the Department of Business, Economic Development and Tourism. The Office of Information Practices offered comments on the measure.

Your Committee has amended that measure by:

- (1) Changing the term "director" to "coordinator" where appropriate for purposes of consistency with chapter 196, Hawaii Revised Statutes;
- (2) Removing unnecessary prefatory language from proposed sections on pages 6 and 9 of the measure;
- (3) Correcting the prefatory reference to section 196-2, Hawaii Revised Statutes, in section 4, on page 15 of the measure;
- (4) Removing the proposed amendment to the definition of "coordinator" and the proposed definition of "director" since both terms are defined under sections 196-2 and 196-3, Hawaii Revised Statutes, respectively;
- (5) Adopting recommendations made by the Office of Information Practices to clarify applicable provisions related to agency confidentiality; and
- (6) Making technical amendments 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. 3069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3069, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

SCRep. 257-08 Energy & Environmental Protection on H.B. No. 3070

The purpose of this bill is to enhance Hawaii's energy emergency preparedness by, among other things:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to use information, including confidential information, received from a variety of sources to adequately plan for, prepare, mitigate, respond to, and recover from a state energy emergency;
- (2) Requiring DBEDT to conduct systematic, statistical and quantitative analyses of the state's energy resources, systems, and markets the Director of DBEDT (Director) determines is necessary for emergency planning and preparedness;
- (3) Requiring each major energy producer, major fuel storer, major energy transporter, major energy user, and major energy marketer to submit certified statements to the Director on dates determined by the Director and on forms prescribed, prepared, and furnished by the Director that reports numerous types of data necessary for state energy emergency preparedness and planning;
- (4) Providing confidentiality requirements for information and reports received by the Director;
- (5) Stipulating the clear authority of the Director to acquire, use, and analyze relevant and essential information on Hawaii's energy resources, systems, and markets to effectively plan and prepare for, mitigate against, respond to, and recover from any energy emergency and preserve the state's energy security;
- (6) Authorizing the Governor, or the Governor's representative, to temporarily suspend for the duration of an energy shortage, or until such time as the Governor deems appropriate, standards which may affect or restrict the use of a substitute fuel to meet energy demand;
- (7) Increasing the penalty for fraud or noncompliance with rules governing energy and emergency preparedness from a misdemeanor to a civil penalty of not more than \$10,000 per violation;
- (8) Clarifying that the comprehensive and integrated State Energy Emergency Preparedness Plan (State Plan) prepared by DBEDT required to be implemented in the event of, or in anticipation of, a change in the State's energy supply or demand situation that is judged by the Governor to be unmanageable, be based on prevailing markets rather than the free market;
- (9) Including distributors, major energy producers, major fuel storers, major energy transporters, and major energy marketers on the Governor's Energy Emergency Preparedness Advisory Committee;

- (10) Including the emergency preparedness plans of distributors, major energy producers, major fuel storers, major energy transporters, major energy marketers, and the Hawaii Department of Defense (DOD) as part of the analytical and planning framework of the State Plan;
- (11) Requiring the State Plan to be prepared or updated as determined by the Director to be necessary to comply with changes in federal or state emergency management policies; and
- (12) Deleting the requirement that the State Plan and county energy emergency preparedness plans be updated and submitted biennially.

DBEDT and DOD testified in support of this bill. Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company testified in opposition to this measure. The Office of Information Practices submitted comments.

Recent natural events and the instability of the oil market have highlighted the extreme vulnerability of Hawaii's energy market and energy security. Comprehensively addressing Hawaii's energy resources, needs, demands, and security is the first step in effectuating an efficient and manageable energy emergency preparedness plan.

However, some of the information requested by this measure may be of a highly confidential and proprietary nature. Your Committee understands that a careful balance must be struck as security is essential to prevent cyberterrorism and that the more broadly information is shared, notwithstanding the provisions for confidentiality, the greater the risk of misuse. Your Committee requests DBEDT to revisit this measure and provide suggestions for amendments to reflect the minimum amount of highly sensitive information required to prepare for an energy emergency. However, given the time constraints, this information has not yet been received by your Committee. Nevertheless, your Committee finds that the critical issue of energy emergency preparedness and the importance of this legislation warrants further discussion.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3070 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 Carroll.

SCRep. 258-08 Education on H.B. No. 2367

The purpose of this bill is to provide the Board of Education (BOE) and Department of Education (DOE) with the flexibility to determine the minimum period of time that teachers, principals, and vice-principals shall serve as probationary employees of DOE.

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

Your Committee finds that the need for flexibility in the statutorily-established two-year minimum probationary period must recognize that the probation period may be the subject of collective bargaining. Accordingly, your Committee has amended this bill by:

- (1) Retaining the two-year minimum probation period, but permitting it to be revised by collective bargaining; and
- (2) Also permitting the following to be revised by collective bargaining:
 - (A) Crediting toward fulfillment of the probationary period any full-time intern teaching period served in the state;
 - (B) Renewing any annual contract with any teacher, principal, or vice-principal during the probationary period; and
 - (C) Discharging or demoting a teacher, principal, or vice-principal during the probationary period.

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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2367, H.D. 1, and be referred to the Committee on Labor & Public Employment.

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

SCRep. 259-08 Education on H.B. No. 3221

The purpose of this bill is to improve coordination, avoid duplication, and support the free interchange of information related to teacher preparation and licensing by appropriating funds for the Hawaii Teacher Standards Board (HTSB) to coordinate the creation of a data interface network between the Department of Education (DOE) and public and private teacher education institutions in the state.

DOE, HTSB, and the Hawaii Educational Policy Center testified in support of this bill. HiTech Quest opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying that HTSB, rather than the Board of Education, shall coordinate the creation of the data interface network;

- (2) Deleting provisions specifying that the data interface network employ simple object access protocol-based web services; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3221, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 260-08 Education on H.B. No. 2186

The purpose of this bill is to assist parents and guardians in ensuring that their children with disabilities receive an appropriate special education by:

- (1) Extending from 90 days to two years of a unilateral special education placement, the time allowed for parents or guardians or the Department of Education (DOE) to request an impartial hearing regarding reimbursement for the costs of a child's placement;
- (2) Requiring DOE to adopt rules regarding reimbursement of certain fees and expenses, including expert witness fees, associated with the hearing; and
- (3) Requiring DOE to adopt rules for an appeals board and process to review the decisions of the hearings officers concerning the identification, evaluation, program, or placement of children who have or are suspected of having an educational disability.

The Hawaii Disability Rights Center, Hawaii Down Syndrome Congress, Autism Society of Hawaii, and several concerned individuals testified in support of this bill. The Community Children's Council Office supported this measure with amendments. DOE and the Department of the Attorney General opposed this bill. The Special Education Advisory Council and a concerned individual offered comments.

Your Committee defers to the Committee on Judiciary regarding the legal issues involved in this bill.

Your Committee has amended this bill by deleting the requirement that DOE establish and adopt rules for an appeals board and process.

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. 2186, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2186, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 261-08 Health on H.B. No. 3158

The purpose of this bill is to improve the safety of patients as well as employees of the Hawaii Health Systems Corporation (HHSC) by authorizing Federal Bureau of Investigation (FBI) criminal history record checks on employees, applicants seeking employment, and current or prospective contractors, providers, or volunteers at any of HHSC's health facilities.

HHSC and the Hawaii Government Employees Association testified in support of this bill.

Currently, HHSC requires selective FBI checks. The Hawaii Criminal Justice Data Center conducts FBI checks on prospective HHSC employees only after a conditional offer of employment is made. Federal law also allows FBI checks on HHSC employees and prospective employees who will have direct contact with children, the elderly, and disabled patients. This bill expands HHSC's authority to perform these additional FBI checks.

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. 3158 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. 262-08 Health on H.B. No. 2727

The purpose of this bill is to ensure that children diagnosed with autism spectrum disorders have access to appropriate care and treatment through the provision of quality health care procedures such as applied behavioral analysis by requiring health insurers to provide coverage of and treatment for autism spectrum disorders.

The Autism Society of Hawaii, Hawaii Disability Rights Center, Cure Autism Now, Autism Speaks, and several concerned individuals supported this bill. The Hawaii Medical Association supported the intent of this measure. Hawaii Association of Health Plans opposed this bill. The Department of Commerce and Consumer Affairs, State Council on Developmental Disabilities, and Hawaii Medical Services Association submitted comments.

Your Committee finds that most insurance companies do not cover autism because it is classified as an emotional disorder rather than a neurological medical condition. As a result, many people now wait more than a year for state services that treat delayed speech and other social and motor skill problems characteristic of autism. The 2001 United States Surgeon General's Report on Mental Health, states, "Among the many methods available for treatment and education of people with autism, applied behavior analysis has become widely accepted as an effective treatment. Thirty years of research demonstrated the efficacy of applied behavioral methods in reducing inappropriate behavior and in increasing communication, learning, and appropriate social behavior."

Your Committee notes that the statutory requirements set in section 23-51, Hawaii Revised Statutes, requiring that prior to any legislation mandating coverage for specific health services as a part of individual or group health insurance policies, being considered, a concurrent resolution must be passed calling for a report from the Auditor that assesses both the social and financial effects of the proposed mandated coverage. However, due to the extreme financial hardships placed upon families trying to ensure their children receive the care they need, the Auditor is requested to expedite this report upon passage of House Concurrent Resolution No. 62 or a similar concurrent resolution so the report may be available to the Legislature within 60 days of the concurrent resolution's passage.

Your Committee has amended this bill by:

- (1) Establishing a temporary Autism Disorders Spectrum Benefits And Coverage Task Force to discuss and seek input on the problems faced by parents of children with autism; 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. 2727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2727, 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. 263-08 Health on H.B. No. 2438

The purpose of this bill is to promote fire-safety by prohibiting the sale of cigarettes in Hawaii that don't self-extinguish when not actively puffed, before it has burnt through its full length.

The Honolulu Fire Department, Maui County Fire Department, Hawaii County Fire Department, Kauai County Fire Department, State Fire Council (SFC), Hawaii Fire Fighters Association, Hawaii Wildlife Management Organization, and Coalition for a Tobacco-Free Hawaii supported this bill. The Department of the Attorney General and Retail Merchants of Hawaii supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Expanding the definition of "cigarette" to add substances other than tobacco when rolled for smoking or any item made to appear to look like it could be offered as a cigarette for smoking;
- (2) Requiring rather than allowing the SFC to authorize a manufacturer to use an alternative test method that has been proven effective in another state unless there is a reasonable cause why such a test shouldn't be used;
- (3) Providing that testing provided for reduced ignition propensity cigarettes for other purposes that is consistent with the methods provided in this bill may be used for certification;
- (4) Specifying that testing performed or sponsored by the SFC to determine a cigarette's compliance with performance standards required by this bill must be conducted using the same standards as those set for manufactures;
- (5) Requiring the SFC to review the effectiveness of the testing standards set by this bill and report the findings to the Legislature every three years;
- (6) Removing provisions authorizing the use of certification markings that approved and in use in California or Vermont;
- (7) Requiring manufactures to notify the SFC of the certification marking selected for use on packaging;
- (8) Requiring that wholesalers and dealers permit the Attorney General (AG) to inspect markings on cigarette packaging and records;
- (9) Adding the AG to the SFC as the enforcing agencies to ensure compliance with the law and includes their authorized representatives;
- (11) Authorizing the AG or any authorized law enforcement entity to seize cigarettes that have not been marked properly;
- (12) Providing wholesalers and dealers a full year from the time that this law takes effect to sell their existing supplies of cigarettes not marked under the new standards; and
- (13) 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. 2438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2438, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee except Representatives Belatti and Ward.

SCRep. 264-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2917

The purpose of this bill is to require the Department of Transportation (DOT) to allow commercial fishing vessels with a use permit for Kewalo Basin to moor at Honolulu Harbor during inclement weather or ocean conditions that causes Kewalo Basin to be shut down, to unload the owner's or operator's catch of fish to a business operating within Honolulu Harbor.

DOT supported the intent of this bill. Several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Adding the requirement that the vessel owner is current on its payments of any fees, fines, and penalties assessed against the vessel due to the State;
- (2) Allowing the vessel owner or operator having the use permit for Kewalo Basin to conduct other business within Honolulu Harbor;
- (3) Authorizing vessel owners and operators that have a use permit for Honolulu Harbor to access Kewalo Basin under certain conditions; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee finds that privileges given to Kewalo Basin use permit holders under this bill, should similarly be given to Honolulu Harbor use permit holders. However, as the vessels that use Honolulu Harbor are likely to be larger than the vessels that use Kewalo Basin, the circumstances under which a Honolulu Harbor use permit holder may use Kewalo Basin may be more limited than those under which a Kewalo Basin use permit holder may use Honolulu Harbor. Therefore, your Committee finds that it is best left to the discretion of the harbor manager of Kewalo Basin to determine these suitable circumstances.

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. 2917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2917, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representative Thielen.

SCRep. 265-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3171

The purpose of this bill is to streamline operations and reduce the backlog at the Land Court by:

- (1) Establishing a process and procedures for deregistering fee simple time share units out of the Land Court System; and
- (2) Allowing landowners to voluntarily transfer their property from the Land Court System to the Regular System of the Bureau of Conveyances.

The Department of Land and Natural Resources, The Chamber of Commerce of Hawaii, Old Republic Title & Escrow of Hawaii, Ltd., Hilton Grand Vacations Club, Hawaii-Asia Region, Starwood Vacation Ownership, Marriot International, Inc., Wyndham Worldwide, American Resort Development Association-Hawaii, and a concerned individual testified in support of this bill. The Judiciary and Hawaii Land Title Association 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. 3171 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 266-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2302

The purpose of this bill is to streamline the process of recording land title documents in the Land Court and Bureau of Conveyances by:

- (1) Authorizing the Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures for recording; and
- (2) Requiring the Judiciary to study:
 - (a) The effects of electronic recording on the adjudication of Land Court applications; and

- (b) Permissible uses for electronic recording in the Land Court.

The Commission to Promote Uniform Legislation testified in support of this bill. The Department of Land and Natural Resources and Hawaii Association of REALTORS supported the intent of this measure. The Judiciary, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and Hawaii Land Title Association provided comments.

Your Committee has amended this bill by:

- (1) Replacing the authorization to the Registrar to accept an electronic signature in place of an original signature, with the provision that an electronic signature satisfies any legal requirements for signatures on recorded documents; 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. 2302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2302, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 267-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3022

The purpose of this bill is to propose an amendment to the Hawaii Constitution to provide that the Legislature may authorize the counties to issue tax increment bonds.

The City and County of Honolulu Department of Planning and Permitting and the Council Chair of the Maui County Council testified in support of this bill.

Your Committee finds that the adoption of this constitutional amendment will allow the counties to use the laws relating to tax increment financing to raise revenues, which has been done in other cities with success.

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. 3022 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. 268-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2823

The purpose of this bill is to limit the liability of owners, controllers, and operators of dams or reservoirs for personal injury or property damage from:

- (1) Water escaping from the dam or reservoir;
- (2) The failure or partial failure of the dam or reservoir, unless caused by the owner; and
- (3) Allowing the inflow to the dam or reservoir to pass through it and into a natural stream below the reservoir.

This bill also provides insurance requirements for dam and reservoir owners.

Kamehameha Schools testified in support of this bill. The Maui County Farm Bureau supported this measure with amendments. The Department of Land and Natural Resources and Consumer Lawyers of Hawaii opposed this bill. The Hawaii Farm Bureau Federation provided comments.

Your Committee has amended this bill by:

- (1) Extending the application of the limitation of liability to the transmission systems and irrigation systems associated with the dam or reservoir; 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. 2823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2823, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 269-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3016

The purpose of this bill is to ensure the safety of law enforcement officers of the Department of Land and Natural Resources (DLNR) Division of Conservation and Resources Enforcement (DOCARE) by:

- (1) Establishing a two-year pilot project allowing DOCARE officers to carry and use electric or "taser" guns in the performance of their duties in the counties of Hawaii and Maui; and
- (2) Appropriating funds for the purchase of equipment and training.

The Nature Conservancy and many concerned individuals testified in support of this bill. A concerned individual opposed this measure. DLNR and a concerned individual provided comments.

Your Committee finds that electric or "taser" guns are useful, safe, and non-lethal alternatives to conventional guns when law enforcement officers are confronted with combative suspects in isolated or remote areas. However, the establishment of program accreditation is essential for the safe and proper use of "taser" guns. Accordingly, your Committee has amended this bill by requiring the accreditation or recognition of the DOCARE program on the use of "taser" guns by a nationally recognized law enforcement accreditation or credentialing program prior to the purchase and use of the "taser" guns, and providing that the funds appropriated by the bill also be used for this accreditation or recognition.

Additionally, your Committee believes that the use of "taser" guns in rural areas on the islands of Kauai and Oahu is warranted. Therefore, this bill has also been amended by authorizing the statewide use of "taser" guns by DOCARE officers.

Further, this bill has been amended by:

- (1) Authorizing the use of electric guns on a permanent, not temporary basis; provided that DOCARE receives the necessary accreditation or recognition by June 30, 2010; 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. 3016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3016, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 270-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3445

The purpose of this bill is to establish a five-cent surcharge on bottled water produced or distributed in the state to be deposited into:

- (1) The Bottled Water Special Fund for the protection of watershed areas; and
- (2) The Invasive Species Special Fund to fight against invasive species.

The Department of Agriculture, The Nature Conservancy of Hawaii, and Conservation Council for Hawaii testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Health, Retail Merchants of Hawaii, International Bottled Water Association, Hawaii Food Industry Association, Hawaiian Springs, LLC, Hawaiian Isles Water Company, Menehune Water Company, Inc., Pacific Allied Products, The Pepsi Bottling Group Hawaii, Coca-Cola Bottling Company of Hawaii, and a concerned individual opposed this bill. The Department of Budget and Finance provided comments.

Upon careful consideration, your Committees have amended this bill by deleting the substance of the bill and inserting:

- (1) Part I, establishing a royalty to be assessed by the county boards of water supply or the Commission of Water Resource Management for water sold to a water bottling enterprise. The royalties will be used for the preservation and protection of the state's finite water supply; and
- (2) Part II, imposing a moratorium on the manufacture, production, processing, and sale of bottled water originating from groundwater sources in the state that are not under the control of any county boards of water supply until a clear policy is developed to guide the development of this groundwater use.

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 are in accord with the intent and purpose of H.B. No. 3445, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3445, H.D. 1, and be referred to the Committees on Agriculture and Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Carroll.

SCRep. 271-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2862

The purpose of this bill is to enhance the economic and environmental benefits of increased energy self-sufficiency by establishing an efficient permitting process for the development of a wind energy project that uses undersea cables to transmit electricity between Hawaii's islands.

Castle and Cooke Hawaii and a concerned individual testified in support of this bill. The Hawaii Renewable Energy Alliance supported the intent of this measure. The Department of Health, UPC Hawaii Wind Partners, Life of the Land, and a concerned individual testified in opposition to this bill. The Public Utilities Commission submitted comments.

Your Committees have amended this bill by:

- (1) Clarifying that the process established by this measure is a coordination of efforts to establish renewable energy resources in Hawaii rather than a consolidation of efforts;
- (2) Specifying that this process is not limited to Lanai but shall be applicable 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 Energy & Environmental Protection 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. 2862, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2862, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

SCRep. 272-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2863

The purpose of this bill is reduce Hawaii's dependence on fossil fuel by establishing an expedited review and approval process for obtaining state and county permits for the siting, development, construction, and operation of renewable energy facilities.

Castle & Cooke Hawaii testified in support of this bill. The Department of Health (DOH) supported the intent of this measure. The City and County of Honolulu Department of Planning and Permitting, Life of the Land, and several individuals opposed this bill. The Department of Business, Economic Development, and Tourism (DBEDT), County of Kauai Planning Department, Public Utilities Commission (PUC), Hawaii Renewable Energy Alliance, and an individual offered comments.

There are problems with this bill at all three levels of government. At the federal level, the United States Environmental Protection Agency delegates authority to DOH for the issuance of air and water pollution permits for various projects. Transferring this delegation of permitting authority from DOH to another entity would require significant changes to state laws and programs to meet federal requirements. Such a transfer must also ensure that the State's public trust duties to protect the air and water quality are met. Such a trust responsibility should not be delegated to DBEDT.

At the state level, the time constraints placed on PUC may be unrealistic, given the complexity of review and analysis of a rate agreement. This time constraint would be further compounded when PUC staff or the parties request additional information.

Finally, at the county level, it is unclear whether any overriding state-wide imperative exists to justify superseding existing local control over the site selection of a proposed renewable energy facility. The State has not identified any particular permit issuance problems that warrant the extraordinary measures proposed in this bill. Moreover, your Committees are not convinced that any need exists to justify overriding the community's right to meaningful participation in the public decision-making process or a county's right to set its own land use and planning policies.

At the same time, however, there is a need to assist renewable energy developers in obtaining the necessary permits and approvals. Your Committees are addressing this concern through:

- (1) H.B. No. 2862, H.D. 1, which establishes a consolidated process for a wind energy and undersea cable project; and
- (2) H.B. No. 2505, relating to a renewable energy facilitator position in DBEDT.

Both measures remain alive.

Nevertheless, upon further consideration, your Committees find that continued discussion on this measure might prove beneficial. Accordingly, your Committees have 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 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 are in accord with the intent and purpose of H.B. No. 2863, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2863, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Carroll.

SCRep. 273-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2590

The purpose of this bill is to promote the sustainability of Hawaii by:

- (1) Adopting and setting forth the Hawaii 2050 Sustainability Plan (Sustainability Plan); and
- (2) Establishing a Sustainability Council to, among other things, implement and evaluate the progress of the State in achieving the objectives of the Sustainability Plan.

The Hawaii 2050 Sustainability Task Force, Office of Economic Development of the County of Kauai, Aloha United Way, The Nature Conservancy of Hawaii, Hawaii Alliance for Community-Based Economic Development, Hawaii Farm Bureau Federation, Hawaii Alliance of Nonprofit Organizations, National Association of Social Workers – Hawaii Chapter, Kanu O Ka Aina Learning Ohana, Association of Hawaiian Civic Clubs, and numerous concerned individuals supported this bill. The Hawaii Association of Independent Schools, The Chamber of Commerce of Hawaii, Castle & Cooke Hawaii, and Hawaii Government Employees Association supported the intent of this measure. The Hawaii Business Roundtable and a concerned individual opposed this bill. The Office of the Governor and concerned individuals submitted comments.

Your Committees note that numerous unresolved concerns and issues were raised about this bill, such as the purpose and role of the Sustainability Council, the force and authority of the Sustainability Plan if it is not adopted by the Legislature, no provision for legislative oversight on amendments to the Sustainability Plan, and a lack of a clear understanding of the role of various government agencies when the Sustainability Plan conflicts with the authority of a particular agency.

Concerns also exist about:

- (1) Whether the Sustainability Plan replaces the existing State Plan under chapter 226, Hawaii Revised Statutes;
- (2) The many areas either uncovered or only sparingly covered by the Sustainability Plan;
- (3) The consistency and comprehensiveness of the goals, strategies, and indicators contained within the Sustainability Plan; and
- (4) Whether the Sustainability Council would become yet another level of bureaucracy that may detract funds from essential health, human-services, public-safety, and educational needs during difficult economic times.

Your Committees applaud the diligent efforts of the Hawaii 2050 Sustainability Task Force but find that many constitutional, policy, technical, and funding concerns remain.

In light of these issues and to promote further discussion, your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and 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. 2590, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2590, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representative Carroll.

SCRep. 274-08 International Affairs on H.B. No. 3343

The purpose of this bill is to commemorate the contributions of Filipino-Americans to Hawaii and the United States by designating October as Filipino-American History Month.

The Hawaii Civil Rights Commission, United Filipino Council of Hawaii, Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Oahu Filipino Community Council, and a concerned individual testified in support of this bill. The Office of the Mayor 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 International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3343, H.D. 1, and be referred to the Committee on Tourism & Culture.

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

SCRep. 275-08 Judiciary on H.B. No. 2456

The purpose of this bill is to extend certain options available to married persons under state tax laws to the parties in a reciprocal beneficiary relationship. Specifically, this bill:

- (1) Allows taxpayers who are reciprocal beneficiaries to elect to file tax returns jointly, separately for which a joint return could be made, or separately as an individual;
- (2) Excludes from gross income, adjusted gross income, and taxable income, the value of health insurance and other direct or indirect benefits provided by an employer to an employee, in excess of what the employer provides or would provide to single employees, when such benefits are provided to the employee due to his or her being married or being a reciprocal beneficiary; and
- (3) Allows an exemption to be claimed for a taxpayer's reciprocal beneficiary.

Several individuals testified in favor of this measure. The Gay and Lesbian Education and Advocacy Foundation supported this bill with amendments. PFLAG-Oahu and an individual opposed this bill. The Department of Taxation offered comments on this measure.

Your Committee acknowledges that certain tax options and benefits currently available to married couples should also be available to reciprocal beneficiaries and domestic partners. However, your Committee is aware that the state tax laws are to a great extent coupled with federal tax laws, both substantively and technically. Because federal tax law does not recognize reciprocal beneficiary or similar relationships, in the event of any decoupling of our state tax law from federal tax law, great attention needs to be given to possible unintended consequences and inconsistent terminology.

Your Committee has amended this measure by:

- (1) Deleting the provisions allowing taxpayers who are reciprocal beneficiaries to elect to file tax returns jointly, separately for which a joint return could be made, or separately as an individual;
- (2) Deleting the provision allowing an exemption to be claimed for a taxpayer's reciprocal beneficiary;
- (3) Clarifying the income tax exclusions by excluding from gross income, adjusted gross income, and taxable income, the value of health insurance and other direct or indirect benefits provided by an employer to an employee, in excess of what the employer provides or would provide to single employees, when such benefits are provided to the employee due to the employee's status as a reciprocal beneficiary as defined in Chapter 572C, Hawaii Revised Statutes, or a domestic partner as defined in the administrative rules of the Hawaii Employer-Union Health Benefits Trust Fund; and
- (4) Specifying that the provisions of the bill shall apply to taxable years beginning after December 31, 2008, to conform to standard provisions for the effective date of income tax measures; and
- (5) Making technical, non-substantive amendments for clarity, consistency, and style.

The measure, in its amended form addresses, only the exclusion of the excess value of health insurance benefits attributed to a taxpayer who already receives benefits that include coverage of a valid reciprocal beneficiary or domestic partner.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2456, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 276-08 Agriculture on H.B. No. 3034

The purpose of this bill is to help ensure that the remaining Hawaii dairy producers are paid a price commensurate with the quality of milk they produce. Specifically, this bill:

- (1) Specifies that all Hawaii-produced fresh milk up to 100 percent of the total production quotas for all milk sheds in the state shall be deemed to be used as Class I milk except under certain conditions; and
- (2) Repeals existing provisions that prohibit producers or producer distributors from having milk production quotas that exceed twenty percent of the total quotas established in the state.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Agriculture Research Center, and several concerned individuals supported this bill. Animal Rights Hawaii opposed this measure. Meadow Gold Dairies submitted comments.

Your Committee recognizes the importance of ensuring the continued financial viability of Hawaii's dairy farms. Local dairy farms, and local farms in general, not only provide a fresh source of milk and other food products for our residents and visitors, but also represent critical components in achieving the long-term goal of food security and food self-sufficiency for our 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. 3034 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 277-08 Energy & Environmental Protection on H.B. No. 647

The purpose of this bill is to effectuate its title.

H.B. No. 647 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 amended, the purpose of the measure is to denote a timeline for the energy resources public-private advisory committee to report to the Legislature with state energy management recommendations.

Specifically, the measure changes the frequency with which the energy resources public-private advisory committee is required to report to the Legislature from annual to biennial, beginning with the 2010 regular session.

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. 647, 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. 647, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 278-08 Health on H.B. No. 2173

The purpose of this bill is to effectuate its title.

H.B. No. 2173 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. 2173, 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. 2173, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 279-08 Higher Education on H.B. No. 2521

The purpose of this bill is to address the need to repair and maintain facilities of the University of Hawaii (UH) and ensure the availability of funds for such by creating a new UH Repair and Maintenance Account (Account) and requiring one percent of general funds to be deposited into the Account, together with interest earned on moneys in the Account and legislative appropriations.

UH, the chancellor of UH at Manoa, the interim athletic director of UH at Manoa, and several concerned individuals testified in support of this bill. The Department of Budget and Finance opposed this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Renaming the Account the UH Repair and Maintenance Special Account (Special Account);
- (2) Limiting the one percent of general revenues deposited into the Special Account to general revenues accrued during the fiscal period from July 1, 2008, through June 30, 2014;
- (3) Deleting the provision that legislative appropriations be deposited into the Special Account;
- (4) Requiring general excise tax revenues deposited to the credit of the Compound Interest Bond Reserve Fund to be deposited into the Special Account;
- (5) Requiring moneys in the Special Account to be appropriated in a lump sum to give UH the discretion to identify the repair and maintenance projects to be funded;
- (6) Clarifying that this bill does not prohibit the appropriation and expenditure of general funds, general obligation bonds, or other sources of funds for the development of new UH facilities;
- (7) Specifying that the annual report to the Legislature is to be submitted beginning with the Regular Session of 2009, and is to include the planned repair and maintenance projects for the remaining fiscal years during which the Special Account is to receive moneys;
- (8) Specifying that no general revenues that accrue after June 30, 2014, are to be deposited into the Special Account;

- (9) Specifying that no general excise tax revenues are to be deposited into the Special Account after June 30, 2014;
- (10) Inserting a repeal date for the Special Account, which will be the day following the date of the last payment of moneys from the Special Account, and requiring the Attorney General to notify the President of the Senate, Speaker of the House of Representatives, and Revisor of Statutes of this date;
- (11) Expressing the Legislature's intent to authorize and appropriate, in each fiscal year of the fiscal period from July 1, 2008, through June 30, 2014, an additional minimum of \$50,000,000 in general obligation bonds to fund the repair and maintenance of UH facilities, and require general excise tax revenues to be transferred to the Special Account if the minimum \$50,000,000 general obligation bond commitment falls short in any fiscal year;
- (12) Inserting an appropriation of \$50,000,000 out of the Special Account for the repair and maintenance of UH facilities as identified by UH, provided that all moneys from the appropriation unencumbered as of June 30, 2010, shall lapse back into the Special Account as of that date;
- (13) Authorizing the issuance of \$50,000,000 in general obligation bonds for the repair and maintenance of UH facilities as identified by UH, provided that all moneys from the appropriation unencumbered as of June 30, 2010, shall lapse as of that date;
- (14) Providing that the amendment made to section 237-31, Hawaii Revised Statutes, in this bill, shall not be repealed when that section is repealed and reenacted on June 30, 2008, by section 4 of Act 304, Session Laws of Hawaii 2006, and requiring that the same amendment be repealed on June 30, 2014; and
- (15) 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. 2521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2521, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 280-08 Health on H.B. No. 2172

The purpose of this bill is to effectuate its title.

H.B. No. 2172 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. 2172, 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. 2172, H.D. 1.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 281-08 Education on H.B. No. 3266

The purpose of this bill is to ensure the safety of children in our public schools by:

- (1) Requiring the Hawaii Teacher Standards Board (HTSB) to develop procedures, including criminal history record checks, to obtain verifiable information regarding the criminal history of persons who hold or are seeking a teaching license; and
- (2) Authorizing HTSB to refuse to issue or renew, or suspend or revoke, a teaching license if the licensee has been convicted of a crime, and if HTSB finds by reason of the nature and circumstances of the crime that the licensee poses a risk to the health, safety, or well-being of children.

The Hawaii State Teachers Association testified in support of this bill. HTSB 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. 3266 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, Saiki, Shimabukuro, Takai and Ching.

SCRep. 282-08 Education on H.B. No. 2973

The purpose of this bill is to help Hawaii's children reach their full potential as individuals and citizens, beginning at birth, by:

- (1) Creating the Early Learning Council (Council) to govern the state's early learning system;
- (2) Establishing an early learning system (System) that ensures a continuum of quality early learning opportunities for children from birth to age five throughout the state; and
- (3) Establishing and appropriating funds for the Keiki First Steps Program (Program) which focuses on the coordination, improvement, and expansion of existing programs and services within the System for three- and four-year-old children in the state, with priority for underserved or at-risk children.

The University of Hawaii, Hawaii Association of Independent Schools, Aloha United Way, Hawaii P-20 Initiative, People Attentive To Children, Hawaii Association for the Education of Young Children (HAEYC), HAEYC-Maui Chapter, HAEYC-Kauai Chapter, and numerous concerned individuals testified in support of this bill. The Act 259 Early Learning Educational Task Force, Kamehameha Schools, Hawaii Business Roundtable, Institute for Native Pacific Education and Culture, and a concerned individual supported the intent of this measure. The Department of Education (DOE), Hawaii Educational Policy Center, and a concerned individual supported this bill with amendments.

Your Committee has amended this bill by:

- (1) Clarifying the purpose language;
- (2) Establishing the System, Council, and Program provisions in statute;
- (3) Clarifying that the System is to be a comprehensive, cohesive, and sustainable system of voluntary educational programs to benefit all children from birth until the time they enter kindergarten, and maximizes their potential for success upon entry into kindergarten;
- (4) Allowing the Council to take actions to increase the numbers in and enhance the quality of the early learning workforce, including offering scholarships, and permits the Council to award grants and contracts to qualified early childhood educators, community-based training programs, and higher education institutions for those purposes;
- (5) Changing the membership of the Council to 13 members by removing the representative from a government agency to represent federal children's programs and services, the member appointed by the President of the Senate, the member appointed by the Speaker of the House of Representatives, and the seven members appointed by the Governor who represent various interests in the early learning community, and replacing them with:
 - (A) The Director of Labor and Industrial Relations or the Director's designee;
 - (B) The director of the Head Start State Collaboration Office or the director's designee;
 - (C) A representative of the military child care system in the Hawaii region;
 - (D) One representative from a private institute of higher education that offers early childhood education programs;
 - (E) The chief executive officer of the Kamehameha Schools or the chief executive officer's designee;
 - (F) A representative of child care program providers;
 - (G) A representative from the Keiki Funders Network, which is a network of public and private funders that support early learning; and
 - (H) A representative of the Association of Mayors;
- (6) Specifying that the chairperson selected by the Council shall be a representative from the private sector;
- (7) Authorizes the Council to contract with State agencies to administer various components and programs of the System;
- (8) Specifying that the System, as well as the Program, shall include center-based settings, family child care, family-child interaction learning settings, and home-based instruction;
- (9) Clarifying that the System shall provide high-quality early childhood development and early learning experiences;
- (10) Specifying that the System, as well as the Program, shall offer opportunities for parent and community engagement and parent education and support;
- (11) Clarifying that component of the Program relating to identification and implementation of curricula and methods shall include research-based early learning program models for at-risk children from three to four years of age;
- (12) Including in the definition of "at-risk children", children:
 - (A) Who are eligible for special education services;
 - (B) Who are English as a Second Language learners;

- (C) Who reside within the boundaries of public schools that are in need of improvement based on the criteria of the federal No Child Left Behind Act of 2001 (Public Law 107-110); and
 - (D) Whose family income is no more than two hundred per cent of the federal poverty level;
- (13) Increasing the supply of suitable classrooms for early childhood programs statewide by requiring DOE and the Department of Human Services to develop suitable pre-plus classrooms on DOE campuses statewide, for early childhood education programs; and
- (14) 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. 2973, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2973, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 283-08 Education on H.B. No. 2051

The purpose of this bill is to provide educational stability to foster children by:

- (1) Establishing guidelines for school placement that are in the best interests of the child;
- (2) Ensuring that foster children receive services comparable to those provided to children who reside in the school district, including transportation services; and
- (3) Appropriating funds to provide transportation services for foster children.

The Department of Education, Legal Aid Society of Hawaii, and a concerned individual testified in support of this bill. The Department of Human Services supported the intent of this measure. The Judiciary offered comments.

Your Committee recognizes that this measure could have a large fiscal impact on the State, and defers to the Committee on Finance in this regard.

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. 2051, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 284-08 Education on H.B. No. 2141

The purpose of this bill is to reduce the incidence of cervical cancer among Hawaii's female youth caused by the sexually-transmitted human papillomavirus. This bill appropriates an unspecified amount of funds to establish a program to:

- (1) Develop and provide free educational information about human papillomavirus, including available immunizations, to parents of female public school sixth graders; and
- (2) Make human papillomavirus immunizations available to these students.

The Department of Health testified in support of 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 H.B. No. 2141, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 285-08 Education on H.B. No. 2533

The purpose of this bill is to protect the health and safety of our children by appropriating funds to establish a free statewide influenza vaccination program for public school students.

The Department of Health testified in support of 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 H.B. No. 2533 and recommends that it be referred to the Committee on Finance.

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

SCRep. 286-08 Education on H.B. No. 2556

The purpose of this bill is to combat substance abuse and to help people recovering from substance abuse by appropriating funds to:

- (1) Increase substance abuse services for youth and adolescents; and
- (2) Establish additional therapeutic living programs to increase access for newly-recovering addicts.

The Big Island Substance Abuse Council, Drug Policy Forum of Hawaii, Hawaii Substance Abuse Coalition, Aloha House, Inc., and many concerned individuals testified in support of this bill. The Department of Health supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556 and recommends that it be referred to the Committee on Finance.

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

SCRep. 287-08 Education/Higher Education on H.B. No. 2587

The purpose of this bill is to encourage Hawaii's students to develop the skills necessary to compete in today's increasingly global economy through learning experiences in the fields of new media arts and science, technology, engineering, and mathematics. Specifically, this bill appropriates funds for equipment, training, the hiring of instructors, and marketing for the creative or production center incubator and for the development of a turnkey digital media program that can be replicated for use in the University of Hawaii (UH) community colleges.

The Department of Education, Department of Business, Economic Development, and Tourism (DBEDT), Keaau Middle College High School, Ulua Media, many faculty and students from the New Media Arts Program at the University of Hawaii's Kapiolani Community College, and many concerned individuals testified in strong support of this bill. The UH Community Colleges supported the intent of this measure.

Your Committee is concerned about the designation of DBEDT as the expending agency for such educational purposes, but will defer decision on this matter to the Committee on Finance.

Your Committee also notes that despite the bill title, the provisions for which funds are being appropriated in the bill are an extension of existing creative academy and Science, Technology, Engineering, and Mathematics (also known as STEM) 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. 2587, H.D. 1, and recommend that it be referred to the Committee on Finance.

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

SCRep. 288-08 Economic Development & Business Concerns on H.B. No. 2778

The purpose of this bill is to require the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a comprehensive study to determine the social and economic benefits, if any, derived from state tax credits provided by the Legislature.

DBEDT testified in support of the intent of this bill. The Department of Taxation (DOTax), PacifiCap Group, and Hawaii Venture Capital Association opposed this measure. The Hawaii Science & Technology Council and Tax Foundation of Hawaii offered comments.

Your Committee understands that DOTax is looking into what information can be released for the study without compromising confidentiality. Your Committee also notes that requiring the study to be completed prior to the 2009 Regular Session may be too short of a time, and defers to the Committee on Finance regarding the amount that should be appropriated for the study.

Your Committee has amended this bill by:

- (1) Changing the scope of the study to the social and economic impact of state tax credits, rather than just their benefits; and
- (2) Making technical, non-substantive 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. 2778, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2778, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 289-08 Economic Development & Business Concerns on H.B. No. 2781

The purpose of this bill is to assist small businesses through the regulatory process by requiring an agency to:

- (1) Include, in its Small Business Impact Statement, information comparing the costs and benefits of a proposed rule, to those of the comparable or related federal, state, or county law;

- (2) Justify the proposed higher standard; and
- (3) Periodically identify and justify existing rules that impose those higher standards.

The Small Business Regulatory Review Board (Board), National Federation of Independent Business in Hawaii, 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 Commerce and Consumer Affairs offered comments.

Your Committee has amended this bill by:

- (1) Deleting the option to include the evaluation report with the annual report;
- (2) Changing its effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2781, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 290-08 Economic Development & Business Concerns on H.B. No. 3360

The purpose of this bill is to better coordinate the State's progress toward an economy that is well-grounded in the lucrative fields of science and technology. Specifically, this bill establishes and appropriates funds for the Hawaii State Science and Technology Task Force (Task Force) within the High Technology Development Corporation (HTDC) to, among other things, develop the Hawaii State Science and Technology Plan (Plan).

The dean of the University of Hawaii (UH) at Manoa College of Engineering testified in support of this bill. UH and HTDC supported the intent of this measure. The Hawaii Science & Technology Council opposed this bill. The Office of Information Practices offered comments.

Your Committee has amended this bill by:

- (1) Requiring HTDC and, if necessary, DBEDT, to provide administrative and staff support for the Task Force;
- (2) Increasing the composition of the Task Force from 13 to 16 members and changing the membership as follows:
 - (A) One member selected by Hawaii's most senior United States Senator;
 - (B) The Director of the Department of Business, Economic Development, and Tourism, or the Director's designee;
 - (C) The Superintendent of the Department of Education, or the Superintendent's designee;
 - (D) One member selected by the Chairperson of the board of directors of the High Technology Development Corporation;
 - (E) Three members from the UH system, appointed by the President of UH; provided that at least one member shall represent a neighbor island community college;
 - (F) One member selected by the President of the Hawaii Island Economic Development Board;
 - (G) One member selected by the President of the Maui Economic Development Board;
 - (H) One member selected by the President of the Kauai Economic Development Board;
 - (I) One member selected by the President of Enterprise Honolulu;
 - (J) Three senior-level business leaders from Hawaii's emerging science and technology sectors, one each to be appointed by the Governor, President of the Senate, and Speaker of the House of Representatives;
 - (K) The President of the Senate, or the President's designee, to serve as an ex officio non-voting member; and
 - (L) The Speaker of the House of Representatives, or the Speaker's designee, to serve as an ex officio non-voting member;
- (3) Extending by one year the submittal date for the Task Force's report to 20 days prior to the convening 2010 Regular Session; and
- (4) Requiring the Task Force to provide an updated report reassessing the Plan, every five years after the first submittal in 2010.

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. 3360, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3360, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 291-08 Education on H.B. No. 2441

The purpose of this bill is to protect students who work for a public employer as part of the student's school-approved work-based learning program, by making the State the responsible employer for purposes of workers' compensation coverage.

The Department of Education and the Department of Labor and Industrial Relations 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. 2441 and recommends that it be referred to the Committee on Finance.

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

SCRep. 292-08 Education on H.B. No. 602

The purpose of this bill is to ensure the availability of funds to improve Hawaii's school facilities. This bill repeals the sunset date of Act 304, Session Laws of Hawaii 2006, essentially requiring that \$90,000,000 continue to be deposited annually to the State Educational Facilities Improvement Special Fund for public school capital improvement program needs.

The Department of Education, Hawaii State Teachers Association, and Kanu O Ka Aina Learning Ohana 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 602, 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 Cabanilla, Shimabukuro, Takai and Wakai.

SCRep. 293-08 Higher Education/Energy & Environmental Protection on H.B. No. 2166

The purpose of this bill is to reduce energy use on the University of Hawaii (UH) at Manoa campus and encourage the development of models for energy savings that can benefit the entire UH system and the broader community. Specifically, this bill appropriates funds for energy conservation and renewable energy measures that are part of the sustainable Saunders Hall project at UH at Manoa.

The Hawaii Energy Policy Forum, Help Us Bridge Student Sustainability Team, and a concerned individual testified in support of this bill. The UH-Manoa supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2166 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, Ito, Karamatsu, Shimabukuro, Takai, Takumi and Ching.

SCRep. 294-08 Legislative Management on H.B. No. 2751

The purpose of this bill is to enhance public access to the legislative process by appropriating unspecified sums to provide archived and indexed video and audio streams of legislative proceedings on the Internet.

Olelo Community Television and The League of Women Voters of Hawaii 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 can provide greater public access to the legislative process at a low cost to 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 is in accord with the intent and purpose of H.B. No. 2751 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 295-08 Legislative Management on H.B. No. 3313

The purpose of this bill is to simplify video broadcasts of legislative proceedings by appropriating the sum of \$80,000 to wire 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. The Department of Accounting and General Services offered comments.

Permanent wiring would improve 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. 3313 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 296-08 Legislative Management on H.B. No. 2908

The purpose of this bill is to ensure agency accountability of audit recommendations made by the Office of the Auditor (Auditor) by establishing a mechanism notifying the Legislature regarding audit recommendations that are not implemented.

Under this bill, the Auditor is required to submit an annual report to the Legislature identifying all audit recommendations over one year old that have not been implemented. Agencies that have not implemented a recommendation must submit a report to the Legislature explaining why the recommendation was not implemented and an estimated date of implementation.

The Auditor and The League of Women Voters of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2908 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 297-08 Legislative Management on H.B. No. 2196

The purpose of this bill is to support the work of the Joint Legislative Committee on Family Caregiving (JLCFC) to ensure the necessary community resources for caregivers by, among other things:

- (1) Extending the term of JLCFC to June 30, 2009;
- (2) Changing JLCFC's name to the Joint Legislative Committee on Aging in Place (JLCAP);
- (3) Expanding JLCAP's mandate to include aging in place issues as they relate to family caregiving;
- (4) Requiring JLCAP to conduct a cash and counseling project for non-Medicaid eligible elders;
- (5) Authorizing the Kupuna Care Program to expand its services, including emergency, overnight, and weekend respite services; and
- (6) Making appropriations to support these efforts.

The Hawaii Aging Advocates Coalition, State Council on Developmental Disabilities, Hawaii Alliance for Retired Americans, Kokua Council, ILWU Local 142, Project Dana, Catholic Charities Hawaii, Policy Advisory Board for Elder Affairs, Hawaii County Office of Aging, Maui County Executive on Aging, and several individuals testified in support of this bill. The Executive Office on Aging supported the intent of this measure. The Attorney General (AG) offered comments.

Your Committee has amended this bill by:

- (1) Specifying that JLCAP shall design rather than conduct the cash and counseling project. According to the AG, a state agency may be a more appropriate choice to actually implement the project rather than a legislative entity; and
- (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 H.B. No. 2196, 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. 2196, H.D. 2.

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

SCRep. 298-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2247

The purpose of this bill is to extend the time allowed to acquire the private lands designated as part of the South Kona Wilderness Area (Wilderness Area) on the island of Hawaii to December 31, 2009.

The Nature Conservancy of Hawaii and Trust for Public Land testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported the intent of this measure. A concerned individual opposed this bill. Hawaii Capital Partners, LLC, and South Kona LLC, provided comments.

Act 59, Session Laws of Hawaii 2003, was enacted to establish the Wilderness Area, and to protect and preserve this area by:

- (1) Reclassifying the lands within the Wilderness Area as lands within the conservation district;
- (2) Prohibiting within the Wilderness Area:
 - (A) The development of new subdivisions; and
 - (B) The construction of new buildings within 1,000 feet of the shoreline;
- (3) Developing a comprehensive management plan for the Wilderness Area; and
- (4) Acquiring private land within the Wilderness Area through value-for-value exchanges of other state lands.

An extension to complete the exchange transaction tasked to DLNR was made to December 31, 2007, but the transaction has not yet been consummated. Your Committee finds that an extension of another few years would be prudent to see the completion of this important endeavor.

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. 2247 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 299-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2955

The purpose of this bill is to expand the use and knowledge of Hawaii's archaeological information by establishing an archaeological data survey as an online database program of the State of Hawaii Museum of Natural and Cultural History.

The Office of Hawaiian Affairs and Bishop Museum testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Society for Hawaiian Archaeology 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. 2955 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. 300-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3272

The purpose of this bill is to allow the current lessee of public land to match any winning bid under certain conditions when the public land is disposed of by public auction.

The Department of Land and Natural Resources 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. 3272 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee. (Representative Thielen voting no.)

SCRep. 301-08 Health on H.B. No. 2025

The purpose of this bill is to prevent tobacco companies from targeting our young people by prohibiting the sale of flavored tobacco products that would make the use of these products more appealing to teens and young adults.

The Coalition for a Tobacco-Free Hawaii and American Heart Association supported this bill. The Department of the Attorney General 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. 2025 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 and Cabanilla.

SCRep. 302-08 Health on H.B. No. 2756

The purpose of this bill is to ensure continuous health care services by establishing a Hospital Loan Guarantee Program to guarantee a portion of a loan made by a private financial institution to a hospital is experiencing short-term financial problems.

The Hawaii Medical Center and a concerned individual supported this bill. 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 is in accord with the intent and purpose of H.B. No. 2756 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. 303-08 Health/Human Services & Housing on H.B. No. 2426

The purpose of this bill is to ensure appropriate medical treatment for anyone in the state suffering from cancer by requiring the Department of Human Services to develop a program to provide cancer treatment to uninsured cancer patients in Hawaii.

The American Cancer Society Hawaii Pacific, Inc., supported the intent of this bill. A concerned individual 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. 2426 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 304-08 Education on H.B. No. 2279

The purpose of this bill is to address the teacher shortage in Hawaii by appropriating funds for the Hawaii Teacher Cadet Program (Program), including its operations. These operations include the recruitment of additional schools, training of teachers, teacher support, mentoring of students, and tracking of students in the Program.

The Department of Education, Hawaii State Teachers Association, Institute for Native Pacific Education and Culture, Hawaii Alliance for Future Teachers (HAFT), and numerous concerned individuals testified in support of this bill.

You Committee has amended this bill by:

- (1) Requiring that the teacher labor necessary to carry out the operations of the Program be provided HAFT on a strictly voluntary basis; and
- (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. 2279, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2279, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 305-08 Transportation on H.B. No. 2953

The purpose of this bill is to simplify documentation requirements for vehicles using an inter-island ferry service by providing certain vehicle identification requirement exemptions when traveling on an inter-island ferry.

The Hawaii Superferry testified in support of this bill. Catrala Hawaii provided comments.

Currently, shipping motor vehicles between islands requires the shipper to present identification, a current certification of registration and proof of insurance for the vehicle being shipped, and a notarized letter from the registered owner or legal owner of the motor vehicle being shipped if the shipper is not the legal or registered owner of the vehicle. However, individuals using the services of an inter-island ferry are oftentimes not the registered or legal owner of the vehicle. These vehicles may be owned by businesses or other family members who have authorized the use of these vehicles by these individuals. Nevertheless, under current law, these individuals must provide notarized letters to inter-island ferry officials before being allowed on board, a tedious and burdensome requirement.

Your Committee finds that the requirements for the inter-island shipping of motor vehicles were put in place long before a car-carrying, inter-island ferry service was ever envisioned for Hawaii and was meant to primarily serve as a deterrent to the shipping of stolen vehicles. However, procedures that include identifying a vehicle through its vehicle identification number, make, model, year, and color, along with identification requirements for the driver and all passengers in the vehicle, serve as a sufficient deterrent for the shipment of stolen vehicles on an inter-island ferry. As such, providing an exemption from certain vehicle identification requirements when traveling on an inter-island ferry 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. 2953 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, Sonson, Takumi and Meyer.

SCRep. 306-08 Transportation on H.B. No. 3011

The purpose of this bill is to bring balance and fairness to the special motor vehicle registration (SMVR) requirements of a motor vehicle that had a registration revoked due to its being involved in a case in which the vehicle was operated by an individual under the influence of an intoxicant by allowing the Administrative Director of the Courts (Director) greater flexibility in authorizing special registrations.

An individual testified in support of this bill. The Judiciary submitted comments on this measure.

Under current Hawaii law, the registration of a motor vehicle may be revoked by the Director in cases in which the vehicle was operated by an individual under the influence of an intoxicant and the individual is either the owner or registered owner of the vehicle in question. However, the Director has the option of granting an SMVR so that the vehicle may be used by other individuals if certain conditions have been met. One of these conditions requires the applicant to be completely dependent on the motor vehicle for the necessities of life.

While the operation of a motor vehicle while under the influence of an intoxicant is a serious matter, the high objective standard of requiring an applicant for an SMVR be "completely dependent on the motor vehicle for the necessities of life" may have serious impacts and adverse effects on families with multiple drivers and a limited number of motor vehicles. Your Committee finds that allowing the Director more flexibility in determining the impacts of failing to issue an SMVR to an applicant would allow a balance to be struck between "safety" and "convenience".

While your Committee understands the concerns raised by the Judiciary, the legal implications this measure may have are beyond the purview of this Committee and your Committee on Transportation respectfully requests the Committee on Judiciary to weigh 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 H.B. No. 3011 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Nakasone, Sonson and Takumi.

SCRep. 307-08 Transportation on H.B. No. 3203

The purpose of this bill is to promote highway safety and conform Hawaii law to the federal commercial driver licensing law by prohibiting the issuance of a restricted license that allows an individual committing the offense of operating a vehicle under the influence of an intoxicant (OVUII) to drive for limited work-related purposes if the individual holds a commercial drivers license (CDL).

The Department of Transportation, Honolulu Police Department, and Hawaii Transportation Association testified in support of this bill. The Department of Customer Services (DCS) of the City and County of Honolulu supported the intent of this measure.

Individuals holding a CDL are often tasked with driving large vehicles that require more skills than operating an ordinary motor vehicle. In addition, some drivers who possess CDLs are given the responsibility of transporting large groups of people. Under current Hawaii law, if these individuals commit the offense of OVUII, the courts may allow them to continue to drive their vehicles for limited, work-related purposes after serving a minimum absolute prohibition from driving. This practice allows possibly unsafe commercial drivers to continue to operate their vehicles on Hawaii's roadways. Amending this law will not only help to protect Hawaii's drivers, but will also conform Hawaii law to meet the regulations of the Federal Motor Carrier Safety Administration regarding commercial drivers.

While your Committee understands the concerns raised by DCS that this amendment may impact individuals such as ambulance personnel who hold a type 4 license but are not technically commercial drivers, the legality of whether these drivers should be exempt from this restriction is beyond the purview of your Committee on Transportation. Thus, your Committee on Transportation respectfully requests the Committee on Judiciary to consider this matter in their deliberations.

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. 3203 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Nakasone, Sonson and Takumi.

SCRep. 308-08 Transportation on H.B. No. 3225

The purpose of this bill is to conform the definition of "Neighborhood electric vehicle" contained in Hawaii law with the federal definition of "Neighborhood electric vehicle" by increasing the maximum Gross Vehicle Weight Rating (GVWR) of this type of vehicle from less than 2,500 pounds to less than 3,000 pounds.

The Department of Transportation and Department of Customer Services of the City and County of Honolulu testified in support of this bill.

The National Highway Traffic Safety Administration recently amended the federal definition of "Neighborhood electric vehicle" by increasing its maximum GVWR from less than 2,500 pounds to less than 3,000 pounds. Your Committee finds that this measure simply conforms Hawaii law to mirror the federal amendment.

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. 3225 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Nakasone, Sonson and Takumi.

SCRep. 309-08 Transportation on H.B. No. 3273

The purpose of this bill is to simplify the process for paying for parking citations that occur at Hawaii's small boat harbors by:

- (1) Decriminalizing violations of statutes and rules governing traffic and parking in state harbors; and
- (2) Establishing fines for these violations.

Several individuals testified in support of this bill. The Judiciary commented on this measure.

Currently, violations of traffic and parking rules and statutes that occur on state harbor lands must be dealt with by going to court. The decriminalization of these violations and the establishment of fines would allow fines to be paid by individuals without having to go to court, therefore freeing up court dockets and allowing conservation officers to concentrate their efforts on more serious matters.

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. 3273 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, Nakasone, Sonson and Takumi.

SCRep. 310-08 Tourism & Culture on H.B. No. 2909

The purpose of this bill is to support efforts to celebrate Hawaii's fiftieth anniversary of statehood by appropriating funds for the Fiftieth Anniversary of Statehood Commission.

The Fiftieth Anniversary of Statehood Commission 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. 2909 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 311-08 Tourism & Culture on H.B. No. 3279

The purpose of this bill is to support the expansion plans of the Hawaii United Okinawa Association (Association) by clarifying an existing appropriation for the Association provided under Act 160, Session Laws of Hawaii 2006. Specifically, this measure clarifies that the appropriation is for land acquisition relating to the expansion of the Hawaii Okinawa Center in Waipio Gentry.

The Association supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3279 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 312-08 Tourism & Culture on H.B. No. 3381

The purpose of this bill is to support efforts to protect and preserve our nation's rich historical legacy by appropriating funds for a grant-in-aid to the USS Missouri Memorial Association, Inc., for industrial-level maintenance work on the Battleship Missouri.

Hawaii Teamsters and Allied Workers Local 996, Asian Pacific Advisors, and numerous concerned individuals supported this bill. The Office of Veterans Services of the Department of Defense supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3381 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 313-08 Tourism & Culture on H.B. No. 2436

The purpose of this bill is to assist in the regulation and enforcement of fireworks by:

- (1) Clarifying the definition of "display fireworks";
- (2) Repealing the provision allowing certain prohibited acts if permitted, with the exception of fireworks set off, discharged, or ignited within 500 feet from any hotel; and
- (3) Clarifying that it shall be unlawful for minors to sell fireworks or articles pyrotechnic.

The State Fire Council and Honolulu Fire Department supported this bill. The Legislative Information Services of Hawaii submitted comments.

Upon further consideration and in light of verbal testimony provided at the public hearing, your Committee has amended this measure by:

- (1) Restoring the provision allowing certain prohibited acts if permitted;
- (2) Clarifying that it shall be unlawful, without a permit, to throw any ignited fireworks from, or at, a moving vehicle or at a person or an animal;
- (3) Clarifying that the prohibition, without a permit, against setting off, igniting, or discharging fireworks within 1,000 feet of any home for the elderly is for permitted homes for the elderly; 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. 2436, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2436, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 314-08 Tourism & Culture on H.B. No. 2719

The purpose of this bill is to allow for more restrictive fireworks regulation by prohibiting counties from enacting ordinances or adopting rules regulating fireworks or articles pyrotechnic that are less restrictive than the provisions of the state fireworks law.

The State Fire Council and the Hawaii Fire Fighters Association supported this bill. The Legislative Information Services of Hawaii opposed this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2025, to encourage further discussion. 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2719, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 315-08 Consumer Protection & Commerce on H.B. No. 94

The purpose of this bill is to establish consumer protections in life settlement transactions where the owner of a life insurance policy transfers the death benefit or any portion of the policy for compensation that is less than the expected death benefit, but more than the surrender value of the policy.

The American Council of Life Insurers and National Association of Insurance and Financial Advisors testified in support of this bill. The Department of Commerce and Consumer Affairs supported the intent of this measure. The Life Settlements Institute submitted comments.

This bill implements the Life Settlements Model Act adopted by the National Conference of Insurance Legislators (NCOIL) and among other things prohibits stranger-originated life insurance (STOLI) transactions in which, for example, a private investor finances insurance on the life of an unrelated individual in an arrangement that ultimately transfers the policy or death benefits to the investor.

In most cases, the beneficiary of a life insurance policy is someone with an interest in the insured remaining alive, such as the insured's spouse, children, dependents, or business partner. STOLI transactions facilitating the absence of this relationship, or insurable interest, between the insured and the eventual beneficiary contravene the intended purpose of life insurance by allowing investors to initiate life insurance as commodities yielding benefits from the deaths of strangers.

Given the complexities of this bill, your Committee is aware that further amendments to this measure may be warranted as interested parties are afforded more time to analyze its possible impacts. While your Committee is moving this bill along for further consideration, it is also forwarding to NCOIL the Insurance Commissioner's written comments on this bill with the intent that NCOIL's response will help guide the final disposition 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. 94, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

SCRep. 316-08 Consumer Protection & Commerce on H.B. No. 3325

The purpose of this bill is to simplify the registration requirements for time share plans by exempting registered time share plans from the Uniform Land Sales Practices Act.

The Department of Commerce and Consumer Affairs, Wyndham Worldwide, Marriott International, Inc., and American Resort Development Association-Hawaii testified in support of this bill.

Your Committee finds that time share plans are already registered and governed under Chapter 514E, Hawaii Revised Statutes, relating to Time Sharing Plans, and that this measure will treat registered time share plans similarly to registered condominium property regimes, which are already exempt from the Uniform Land Sales Practices Act.

Your Committee has amended this bill by making it effective 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 H.B. No. 3325, 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. 3325, H.D. 2.

Signed by all members of the Committee except Representative Ito.

SCRep. 317-08 Energy & Environmental Protection on H.B. No. 2825

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), not to exceed \$35,000,000, to be issued to assist Sopogy, Inc., to plan, build, and operate a solar farm power plant on Oahu.

Sopogy, Inc., and Hawaii Renewable Energy Alliance testified in support of this bill.

The proposed multi-megawatt power plant on Oahu will utilize proprietary concentrated solar power systems to generate electricity. Last session, the Legislature authorized up to \$10,000,000 in SPRBs to assist Sopogy, Inc., in establishing a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority's site on the island of Hawaii or another suitable site in 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. 2825 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 318-08 Energy & Environmental Protection on H.B. No. 2002

The purpose of this bill is to improve the Deposit Beverage Container Program by requiring the refund value of a deposit beverage container to be marked on the container.

The Department of Environmental Management of the County of Maui and a member of the Hawaii County Council supported this bill. The Pepsi Bottling Group Hawaii opposed the measure. The Department of Health (DOH), Hawaii Food Industry Association, Coca-Cola Bottling Company of Hawaii, and Anheuser Busch Companies submitted comments.

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

- (1) The refund value of a deposit beverage container to be marked with a securely affixed label; and
- (2) DOH to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for products newly introduced into Hawaii that may require temporary stickers until compliance with the law can be achieved.

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. 2002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2002, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee.

SCRep. 319-08 Human Services & Housing on H.B. No. 2515

The purpose of this bill is to preserve affordable housing in Honolulu by appropriating funds to complete the acquisition of a portion of the Kukui Gardens housing project.

EAH Housing, Hawaii Housing Finance and Development Corporation, Office of Hawaiian Affairs, Faith in Action for Community Equity, Hawaii Family Forum, and Roman Catholic Church in the State of Hawaii testified in support of this bill.

This bill authorizes \$26 million through the issuance of general obligation bonds to complete the structured transaction to ensure that Kukui Gardens, a centrally located, low-income rental property, remains affordable in perpetuity. Funds are needed to reduce debt service from Hula Mae Multi-Family revenue bonds used to help finance the purchase and rehabilitation of the State-owned portion of Kukui Gardens.

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. 2515 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 320-08 Human Services & Housing on H.B. No. 2770

The purpose of this bill is to expand the Bridge to Hope Program by clarifying that participants be in the First-to-Work Program and allowing participants to be enrolled in vocational education programs.

The Department of Human Services (DHS), University of Hawaii, Office of Hawaiian Affairs, Legal Aid Society of Hawaii, University of Hawaii's Bridge to Hope Coordinator, National Association of Social Workers – Hawaii Chapter, and many concerned individuals testified in support of this bill. A concerned individual supported this measure with amendments.

Your Committee notes that DHS reported that a final rule issued on February 5, 2008, will permit the pursuit of a baccalaureate degree that is tied to a vocation, thereby allowing the use of federal funds.

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. 2770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2770, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 321-08 Human Services & Housing on H.B. No. 2036

The purpose of this bill is to change the offense of promoting intoxicating liquor to a person under the age of 21 from a misdemeanor to a petty misdemeanor and to set guidelines under which that person may be sentenced to imprisonment.

The City and County of Honolulu Department of the Prosecuting Attorney testified in support of this bill. The Attorney General supported the intent of this measure. The Office of the Lieutenant Governor suggested amendments. The Distilled Spirits Council of the United States provided comments.

Your Committee respectfully requests the Committee on Judiciary to consider some of the issues raised by testifiers, including whether the prison terms suggested in this measure should be mandatory rather than discretionary, to serve as an effective deterrent to underage drinking. Your Committee also notes that the offense was downgraded to a petty misdemeanor for purposes of expediting cases since they would be adjudicated via bench trials rather than jury trials.

Your Committee has amended this bill by:

- (1) Requiring a person convicted for the first time to serve a minimum of 24 hours in prison; and
- (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. 2036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2036, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Awana and Cabanilla.

SCRep. 322-08 Agriculture on H.B. No. 3310

The purpose of this bill is to support Hawaii's agricultural industry by appropriating funds for a grant-in-aid to the Hawaii Farm Bureau Federation for agricultural research and market development.

The Department of Agriculture, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., and a concerned individual supported 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3310 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, Manahan and Ching.

SCRep. 323-08 Agriculture/Energy & Environmental Protection on H.B. No. 2516

The purpose of this bill is to improve and enhance the infrastructure necessary to prevent the importation and spread of invasive species by:

- (1) Authorizing and appropriating \$5,000,000 in general obligation bond funds and appropriating \$5,000,000 in federal funds for the construction of joint biosecurity inspection facilities at Honolulu International Airport; and
- (2) Authorizing and appropriating \$1,500,000 in general obligation bond funds for planning and designing a joint biosecurity facility at Honolulu Harbor.

The Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, The Nature Conservancy of Hawaii, Conservation Council for Hawaii, Coordinating Group on Alien Pest Species, and the Sierra Club, Hawaii Chapter, supported this bill. The Department of Agriculture and Department of Land and Natural Resources supported the intent of this measure. The Department of Transportation 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. 2516 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 324-08 Agriculture/Economic Development & Business Concerns on H.B. No. 3120

The purpose of this bill is to provide greater flexibility to the Department of Agriculture (DOA) in contracting for the use of or rental of animal quarantine facilities or property by repealing the provision requiring that the facilities or property be leased or rented at fair market value.

The Office of the Governor, DOA, and the Hawaiian Humane Society supported this bill. Animal Care Foundation opposed this measure.

Upon further consideration, your Committees have amended this measure by:

- (1) Specifying that the animal quarantine facilities or property be leased or rented at a minimum of fifty percent of fair market value, in lieu of repealing the provision requiring fair market value leases or rentals;
- (2) Limiting the use of the animal quarantine facilities or property for animal welfare, including emergency shelters for animals, or agricultural purposes; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3120, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3120, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 325-08 Human Services & Housing/Education on H.B. No. 2030

The purpose of this bill is to prevent risky behavior among children and youth by appropriating funds to the Department of Education (DOE), Office of Youth Services (OYS), and county departments of parks and recreation for non-school hour programs.

DOE, HiTech Quest, the Coalition for a Drug-Free Hawaii, Kualoa-He'eia Ecumenical Youth Project, Kaimuki-Waialae Branch of the YMCA of Honolulu, and a concerned individual testified in support of this bill. OYS supported the concept of this measure. A concerned individual opposed this bill.

While non-school hour programs must be considered in each school's priorities, your Committees recognize that time and financial constraints prevent schools from providing programs to students that may be more suitable outside of the school day. Science, Technology, Engineering, and Math, known as STEM learning, need to be supported and expanded, as well as other experiential learning initiatives.

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 are in accord with the intent and purpose of H.B. No. 2030 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, Saiki, Takai, Tokioka, Wakai and Ching.

SCRep. 326-08 Human Services & Housing/Health on H.B. No. 2114

The purpose of this bill is to expand services to Medicaid and QUEST participants by adding chiropractic services as a benefit.

The Department of Human Services (DHS) did not support this bill. The Hawaii Medical Association opposed this measure. The Hawaii Medical Service Association provided comments.

Your Committees note DHS's testimony which states that to receive federal reimbursement, DHS would have to submit an amendment to the Hawaii State Medicaid Plan for approval by the federal Centers for Medicare and Medicaid Services (CMS).

Accordingly, your Committees have amended this bill by:

- (1) Requiring DHS to submit a request to CMS to amend the State Medicaid Plan prior to implementation of the additional benefits for chiropractic services;
- (2) Requiring DHS to submit a request for additional funds, if necessary, needed to add chiropractic services as a benefit to Medicaid and QUEST participants, upon receiving approval by CMS;
- (3) Removing the appropriation; 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. 2114, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2114, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 327-08 Human Services & Housing/Health on H.B. No. 3008

The purpose of this bill is to support community health centers by providing a tax credit for capital improvements made to federally qualified health centers.

The Waianae Coast Comprehensive Health Center and Hawaii Primary Care Association testified in support of this bill. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii provided comments.

Your Committees respectfully request the Committee on Finance to examine the issues raised by DOTAX and the Tax Foundation of Hawaii in their written testimony. DOTAX provided cost estimates of \$4,900,000 to \$130,000,000 over a ten-year period to implement this measure.

Your Committees have amended this bill by:

- (1) Removing an unnecessary provision giving DOTAX rulemaking authority; 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. 3008, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3008, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 328-08 Human Services & Housing/Health on H.B. No. 3031

The purpose of this bill is to support improvements to older care homes by establishing a Care Home Accessibility Features Tax Credit.

The Department of Taxation (DOTAX) supported the intent of this bill. The Tax Foundation of Hawaii provided comments.

Your Committees respectfully request the Committee on Finance to examine the issues raised by DOTAX and the Tax Foundation of Hawaii in their written testimony, and also to determine whether the term "older," with regard to the age of care homes, needs to be specifically defined.

Your Committees have amended this bill by:

- (1) Deleting an unnecessary provision relating to rulemaking authority for DOTAX; 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. 3031, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3031, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 329-08 Human Services & Housing on H.B. No. 1984

The purpose of this bill is to protect public housing residents by prohibiting the consumption of liquor in common areas of public housing projects.

The Hawaii Public Housing Authority, Honolulu Police Department (HPD), and many concerned individuals testified in support of this bill. A concerned individual provided comments.

Your Committee respectfully requests the Committee on Judiciary to examine civil rights and constitutional issues related to this measure. Your Committee also notes that the presence of more resident managers around-the-clock may help to curb or monitor potentially disruptive activity. HPD indicated that public housing projects are considered a quasi-private area, which has prevented arrests for public consumption of liquor and trespassing. This measure would allow arrests to be made.

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. 1984 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 330-08 Human Services & Housing on H.B. No. 1985

The purpose of this bill is to protect public housing residents and visitors by making it a trespass offense to unlawfully remain in a public housing project.

The Hawaii Public Housing Authority, Honolulu Police Department (HPD), and many concerned individuals testified in support of this bill. A concerned individual provided comments.

Your Committee respectfully requests the Committee on Judiciary to examine civil rights and constitutional issues related to this measure. HPD indicated that public housing projects are considered a quasi-private area, which has prevented arrests for public consumption of liquor and trespassing. This measure would allow arrests to be made.

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. 1985 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 331-08 Human Services & Housing on H.B. No. 3136

The purpose of this bill is to preserve the best interests of children in the child protective services system by requiring that local customs of friends and relatives caring for a child are taken into consideration when determining placement of the child.

The Department of Human Services (DHS) and Catholic Charities Hawaii testified in support of this bill. The Judiciary provided comments.

Your Committee respectfully requests DHS to adopt rules before the convening of the Regular Session of 2009 that addresses the concerns raised by the Judiciary in their written testimony about caregiver benefits, monitoring the notification of the return of a child to parents who are deemed harmful, various consents, and caregiver services.

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. 3136 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 332-08 Human Services & Housing on H.B. No. 2379

The purpose of this bill is to assist the working poor by establishing a refundable state earned income tax credit (EITC) equal to 20 percent of the federal EITC.

The Legal Aid Society of Hawaii, Aloha United Way, and Hawai'i Alliance for Community-Based Economic Development testified in support of this bill. The Department of Taxation (DOTAX), Department of Human Services, and Tax Foundation of Hawaii provided comments.

Your Committee notes that DOTAX's testimony states that this measure will provide approximately \$23,800,000 in tax relief to about 68,560 taxpayers. While DOTAX's testimony also cited that the Internal Revenue Service has experienced compliance problems with the EITC, a March 2007 letter from DOTAX states that the highest percentage of under-reporters are taxpayers earning less than \$10,000 or more than \$100,000 annually. Thus, your Committee believes that there is no higher risk of fraud in Hawaii for an EITC than for taxpayers in a high-income tax bracket.

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. 2379 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 333-08 Human Services & Housing on H.B. No. 1998

The purpose of this bill is to require the Department of Human Services (DHS) to conduct a survey to determine the number of blind, deaf, and deaf-blind persons in Hawaii.

Hui O Na Makamaka and a concerned individual testified in support of this bill. DHS, the Disability and Communication Access Board, and a concerned individual supported the intent of this measure.

Your Committee received testimony that a needs assessment would be useful in determining the services needed and desired by the blind, deaf, and deaf-blind community.

Accordingly, your Committee has amended this bill by:

- (1) Expanding the scope to require a needs assessment that includes collecting data and determining the requirements and desires of the specified population;
- (2) Defining "deaf" and "blind"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests that as the needs assessment is conducted, it also includes contact information of the blind, deaf, and deaf-blind community for emergency purposes.

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. 1998, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1998, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 334-08 Human Services & Housing on H.B. No. 2027

The purpose of this bill is to require the Department of Human Services (DHS) to:

- (1) Establish a pilot project to develop and operate facilities statewide to assist at-risk children up to 13 years-of-age from low-income households; and
- (2) Appropriate funds for this purpose.

Malama O Kamali'i Makamae and several concerned individuals testified in support of this bill. DHS and several concerned individuals provided comments.

Your Committee notes that Malama O Kamali'i Makamae is an organization that is capable of providing the services required in this bill. Additionally, your Committee respectfully requests that transportation issues, such as transporting children to and from the programs offered under the pilot project, are considered by the appropriate parties.

Your Committee has amended this bill by:

- (1) Requiring DHS to work with the Department of Education, Department of Health (DOH), any and other appropriate state agencies to evaluate and inventory existing nonschool-hour programs and services to avoid duplication with the pilot project;
- (2) Specifying that DHS shall also consult with DOH in developing programs;
- (3) Adding Office of Hawaiian Affairs and Temporary Assistance for Needy Families funds as funding options; 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. 2027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 335-08 Economic Development & Business Concerns on H.B. No. 3162

The purpose of this bill is to better align the State's workforce development policies and programs with its economic policies by transferring the Workforce Development Council (WDC) from the Department of Labor and Industrial Relations (DLIR) to the Department of Business, Economic Development, and Tourism (DBEDT).

DBEDT, DLIR, WDC, and The Chamber of Commerce of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3162, 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 Ching.

SCRep. 336-08 Economic Development & Business Concerns on H.B. No. 3358

The purpose of this bill is to support Hawaii's high technology sector by preparing the current and future workforce for the challenges of the industry. Specifically, this bill:

- (1) Requires the Department of Business, Economic Development, and Tourism (DBEDT) to consult with the High Technology Development Corporation (HTDC) to plan for the establishment of a high technology park (Park) on the island of Oahu, and work with the Department of Land and Natural Resources to identify public or private lands that may be acquired for the Park; and
- (2) Appropriates funds to build the Park.

HTDC testified in support of this bill. DBEDT supported the intent of this measure.

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. 3358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3358, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 337-08 Economic Development & Business Concerns on H.B. No. 2960

The purpose of this bill is to improve Hawaii's liquor laws and prevent misrepresentation of liquor products that are not made in Hawaii by:

- (1) Requiring liquor labeled "Hawaii" or certain other references to Hawaii to be wholly manufactured in the state;
- (2) Allowing the holder of a liquor manufacturer's license to sell liquor made from cane for private use and consumption; and
- (3) Removing the stipulation that no liquor be consumed on the liquor manufacturer's premises except as authorized by the Liquor Commission.

Haleakala Distillers and many concerned individuals testified in support of this bill. Maui Brewing Co., supported this measure with amendments. The Departments of Liquor Control of the Counties of Hawaii, Maui, and Kauai, and the City and County of Honolulu Liquor Commission opposed this bill, recommending an amendment.

Your Committee has amended this bill by:

- (1) Providing that labeling requirements for vineyards and wineries operating in the state shall only require compliance with the standards of the Alcohol and Tobacco Tax and Trade Bureau; and
- (2) Reinstating the stipulation that no liquor be consumed on the liquor manufacturer's premises except as authorized by the Liquor Commission, as vineyards and wineries in the state would not be able to offer wine tasting.

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. 2960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2960, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 338-08 Public Safety & Military Affairs on H.B. No. 2466

The purpose of this bill is to enhance wildfire management by authorizing the counties to enact ordinances declaring an area with an average annual rainfall of less than ten inches to be a fireworks prohibited zone.

The State Fire Council supported this bill. The Legislative Information Services of Hawaii supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Providing that the counties may authorize the fire chief to proclaim an area to be a fireworks prohibited zone upon a determination that there is a substantial risk to public safety;
- (2) Specifying that the area to be declared a fireworks prohibited zone must be done so a specific amount of time prior to the start of any authorized use of fireworks or articles pyrotechnic; 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. 2466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2466, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 339-08 Public Safety & Military Affairs on H.B. No. 2467

The purpose of this bill is to improve fire protection by directing that the State Fire Code will include road and sign standards, minimum private water supply reserves, fuel breaks, and green belts.

A concerned individual supported this bill. The Department of Land and Natural Resources supported the intent of this measure. The State Fire Council provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the State Fire Code will provide requirements for any property on which the county does not have jurisdiction over road and sign standards, minimum private water supply reserves, fuel breaks, and green belts to improve fire protection; 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. 2467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2467, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

Signed by all members of the Committee.

SCRep. 340-08 Public Safety & Military Affairs on H.B. No. 3112

The purpose of this measure is to support the State Civil Defense's Shelter-in-Place initiative by exempting care homes and schools from civil liability during a civil defense emergency.

The Department of Defense, Department of Health, and Department of Human Services submitted testimony in support of this measure.

Your Committee finds that this measure will help reduce the demand on evacuation resources and emergency shelter facilities, as well as, reduce traffic congestion during an officially designated civil defense emergency. Currently, under section 128-19, Hawaii Revised Statutes, transient accommodation lodging is exempt from civil liability if used to shelter persons during a civil defense emergency. This measure extends the exemption from civil liability to also include schools, hospitals, community-based care homes, home-based care homes, home health agencies, and health agencies of any type licensed by the Department of Health or the Department of Human Services by clarifying that compensation received by owners or operators of these facilities shall not be considered compensation for the purpose of immunity from liability of private shelters.

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. 3112 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 341-08 Public Safety & Military Affairs on H.B. No. 2009

The purpose of this bill is to implement the recommendation of the Auditor in 2007 for a legislative reassessment of the need for or repeal of the law establishing the correctional program revolving fund.

Specifically, this bill repeals section 353-33, Hawaii Revised Statutes, which established the correctional program revolving fund.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that the fund, established to offset the cost of inmate programs through revenues derived from fees charged to committed or detained persons participating in correctional programs, was closed in 1996 due to inactivity.

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. 2009 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 342-08 Public Safety & Military Affairs on H.B. No. 2945

The purpose of this measure is to require the Department of Public Safety to adopt a policy to mandate all inmates to participate in in-facility workline programs.

Additionally, this measure:

- (1) Directs the Department to increase the scope and number of its in-facility workline programs; and
- (2) Appropriates funds for the Department to develop and operate in-facility workline programs at each correctional facility and in-community workline projects throughout the State.

Testimony in support of the measure was received from the Drug Policy Forum of Hawaii and a concerned citizen. The Department of Public Safety supported the intent of the bill.

Your Committee finds that in-facility and in-community workline programs and projects will prepare offenders for successful reentry into the community by providing them with meaningful job training. Vocational training and work opportunities have been shown to reduce recidivism and to assist offenders in reuniting with their families and rejoining 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. 2945 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 343-08 Public Safety & Military Affairs on H.B. No. 2146

The purpose of this bill is to ensure the successful reentry of inmates back into the community upon their release from prison by requiring:

- (1) The Department of Public Safety (DPS) to establish performance indicators to ensure that DPS is in compliance with the Community Safety Act of 2007;

- (2) Monthly reports to the Legislature, using the performance indicators, such as inmate drug test failure rates, educational goals achieved, reentry plans, post-incarceration employment, victim restitution paid, and recidivism rates.

The Community Alliance on Prisons, Drug Policy Forum of Hawaii, and several concerned individuals supported this bill. DPS opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring DPS to provide reports to the Legislature on a quarterly basis rather than monthly; 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. 2146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2146, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 344-08 Public Safety & Military Affairs on H.B. No. 3426

The purpose of this bill is to improve chances of successful reintegration to the community for inmates, especially those of Hawaiian ancestry by appropriating funds for the Department of Public Safety (DPS) to provide reintegration programs that combine cognitive behavioral theory with Native Hawaiian holistic interventions that address domestic violence, addictions, self mastery through identity, and community connections.

DPS, the Office of Hawaiian Affairs, Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Directing DPS to establish a reintegration pilot program that combines cognitive behavioral theory with Native Hawaiian holistic interventions within Hawaii correctional facilities;
- (2) Changing the appropriation to an unspecified amount; 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. 3426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3426, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 345-08 Public Safety & Military Affairs on H.B. No. 2160

The purpose of this bill is to ensure timely and informative access to emergency and public-service information from a dedicated source that is easily accessible to the public by establishing an emergency advisory radio station pilot project on the island of Hawaii and studying the possibility of expansion of the project.

Several concerned individuals supported this bill. The Department of Defense supported the intent of this measure. New West Broadcasting Corporation opposed this bill. The Mayor of the County of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount; 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. 2160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2160, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 346-08 Public Safety & Military Affairs on H.B. No. 2306

The purpose of this bill is to clarify that amounts received by TriWest as reimbursements of costs or advances made pursuant to a contract for the administration of the federal TRICARE program are exempt from general excise tax (GET).

TriWest and Hawaii Medical Service Association supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the GET exemption will be for amounts for reimbursement of costs or advances made to health care providers; 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. 2306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2306, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 347-08 Public Safety & Military Affairs on H.B. No. 2555

The purpose of this bill is to support the Hawaii Wing Civil Air Patrol which provides this state with many valuable services, including disaster relief, search and rescue, homeland security, and medical emergency transport services to local and national organizations by providing an appropriation of \$295,050 for operational expenses.

The Hawaii Wing Civil Air Patrol, 66th Composite Squadron of the Civil Air Patrol, and numerous concerned individuals supported this bill. The Department of Defense supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Removing line-item operational expenses;
- (2) Changing the appropriation to an unspecified amount; 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. 2555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2555, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 348-08 Energy & Environmental Protection on H.B. No. 3064

The purpose of this bill is to provide additional financial incentives to invest in renewable technologies by making the existing Renewable Energy Technologies Income Tax Credit refundable for taxpayers:

- (1) Whose adjusted gross income is \$20,000 or less; and
- (2) Whose income is derived from state retirement benefits or pension benefits that are exempt from income taxation.

The Department of Taxation (DOTAX), Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., Hawaii Solar Energy Association, Sierra Club, Hawaii Chapter, and Hawaii Renewable Energy Alliance supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee notes that testimony from DOTAX indicated that the annual revenue loss as a result of this measure is estimated to be \$41,000 starting in fiscal year 2008-2009.

Your Committee has amended this measure by:

- (1) Clarifying that its provisions apply to taxable years beginning 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3064, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 349-08 Judiciary on H.B. No. 2696

The purpose of this bill is to facilitate appointments to the five-member Executive Board of the Judiciary History Center by clarifying the process for filling vacancies. Under this bill, if the vacant position was one of the three positions originally appointed by the Chief Justice from a list of seven candidates submitted by the Friends of the Judiciary History Center (Friends), the Chief Justice shall fill that vacancy from a list of three candidates submitted by the Friends.

The Judiciary and the Friends testified in support of this bill.

Currently, when one of these three positions becomes vacant, the law is interpreted to require the Chief Justice to fill that position from a list of seven candidates submitted by the Friends. Compiling a list of seven candidates has proven to be a challenge, especially when two vacancies occur during the same year.

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. 2696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2696, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 350-08 Judiciary on H.B. No. 3044

The purpose of this bill is to amend the State Constitution to allow testifying defendants in criminal cases to be impeached with evidence of their prior convictions for crimes involving dishonesty.

The Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, County of Maui Police Department, Honolulu Police Department, and County of Hawaii Police Department testified in support of this bill. The Judiciary, State Office of the Public Defender, and American Civil Liberties Union of Hawaii opposed this measure.

This bill proposes to overrule the 1971 Hawaii Supreme Court decision in the case of State v. Santiago, 53 Haw. 254 (1971), which held that the due process clause of the Hawaii Constitution barred the introduction of a defendant's prior convictions to assist the trier of fact in evaluating that defendant's credibility in a criminal case.

Because evidence of prior convictions can be used to impeach victims and other witnesses, your Committee finds that impeachment of defendants with evidence of prior convictions of crimes involving dishonesty should also be allowed when those defendants choose to testify at their own trial.

Your Committee has amended this bill by:

- (1) Deleting the effective date provision 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3044, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 351-08 Health on H.B. No. 2133

The purpose of this bill is to create a Nursing Teacher Loan Forgiveness Pilot Program (Program) at the University of Hawaii.

The Hawaii Government Employees Association supported this bill. The University of Hawaii (UH) opposed this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Appropriating funds for support staff for the School of Nursing and Dental Hygiene at UH to administer the Program;
- (2) Changing the effective date to January 1, 2050; and
- (3) Making technical, nonsubstantive amendments for 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. 2133, 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. 2133, H.D. 2.

Signed by all members of the Committee except Representative Bertram.

SCRep. 352-08 Public Safety & Military Affairs/Transportation on H.B. No. 3023

The purpose of this bill is to ease the process of license renewal for members of the United States (U.S.) armed forces by allowing an active service member to apply for renewal of driver's license two years prior to the date of expiration to lessen the chances of the service member's license expiring while deployed.

A concerned individual supported the intent of this bill. The City and County of Honolulu's Department of Customer Services opposed this measure. The Department of Transportation and Department of Defense submitted comments.

Your Committees have amended this bill by replacing its contents with provisions that:

- (1) Extends the term of a license from six to eight years for persons between the ages of 25 and 71;
- (2) Reduces the term of a license from six to four years for persons between the ages of 19 and 24;
- (3) Authorizes the examiner of drivers to issue a license for an unspecified, shorter period of time if the examiner determines a person's ability to drive is impaired due to a physical condition;
- (4) Repeals provisions that would allow a person whose driving ability was determined to be impaired to:
 - (A) Obtain certification from a physician confirming the person's ability to drive is not impaired by their physical condition; or
 - (B) Correct the physical impairment, or is able to drive safely by using a vehicle adapted to overcome the physical impairment;
 and
- (5) Allows the license of a member of the U.S. armed forces that has expired while that person was on active federal service outside of the country to remain valid for 90 days after the person returns to the U.S..

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 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. 3023, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3023, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative and Nakasone.

SCRep. 353-08 Public Safety & Military Affairs/Transportation on H.B. No. 2605

The purpose of this bill is to recognize the dedication and service of members of Hawaii's National Guard and Reserve forces by exempting them from payment of vehicle taxes and registration fees on their noncommercial vehicles.

The Department of Taxation and The Hawaii Chamber of Commerce supported this bill. The Department of Defense supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committees have amended this bill by:

- (1) Removing references to the federal Soldiers' and Sailors' Civil Relief 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 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. 2605, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2605, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 354-08 Health on H.B. No. 2449

The purpose of this bill is to ensure the health and safety of children by prohibiting the manufacture, sale, and distribution of products for young children that contain bisphenol-A or phthalates and requiring manufacturers to choose safe alternatives.

The Hawaii Restaurant Association testified in opposition to this bill. Consumers for Competitive Choice and a concerned individual offered comments.

Your Committee has amended this bill by:

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

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

Signed by all members of the Committee except Representative Bertram.

SCRep. 355-08 Health on H.B. No. 3242

The purpose of this bill is to help provide relief to pain patients so they can lead normal lives to the greatest extent possible, by providing them with access to the medication they need. Specifically, this bill:

- (1) Clarifies the provisions for prescribing opiate medication for pain treatment; and
- (2) Extends the time after a prescription has been issued within which schedule II controlled substance prescriptions must be filled.

These provisions will help pain patients access appropriate medical care to help relieve the debilitating and intolerable discomforts of pain, allowing them to lead normal lives to the greatest extent possible.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Kokua Mau, American Cancer Society, Kauai Hospice, Hospice of Hilo, and several concerned individuals testified in support of this bill. The Department of Public Safety supported this measure in part. The Hawaii Medical Association opposed this bill.

Your Committee notes that currently, individuals taking these drugs are allowed a 30-day supply, and suggests the supply be increased to a 45-day supply.

Your Committee has amended this bill by:

- (1) Providing that a patient who suffers severe acute pain or severe chronic pain secondary to a diagnosis in any form of disease and chronic condition may, rather than shall, be entitled to receive a prescription of opiate medication for pain treatment under certain conditions;
- (2) Changing its 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3242, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 356-08 Health on H.B. No. 3152

The purpose of this bill is to appropriate \$1,807,539 as an emergency appropriation to reimburse costs associated with ambulance service contract collective bargaining increases negotiated by the ambulance services provider for Oahu, the City and County of Honolulu.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in her Governor's Message No. 241 to the Legislature, requested immediate consideration and passage of this bill, citing an existing critical funding emergency to continue ambulance services on Oahu.

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 H.B. No. 3152 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. 357-08 Health on H.B. No. 3161

The purpose of this bill is to appropriate emergency funding for the Hawaii Health Systems Corporation (HHSC) to pay accounts payable balances due to essential vendors of Hawaii's public health care facilities within 45 days from the date of invoices.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 242 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates \$14,000,000 for fiscal year 2007-2008 from the Special Fund to be expended by HHSC to sustain the ongoing operations of and services at various state hospitals, which include critical access care, medical and surgical services, and specialty care.

HHSC, its Corporate Board of Directors, and the Hawaii County Council supported this bill. Maui Memorial Medical Center 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. 3161 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. 358-08 Health on H.B. No. 2286

The purpose of this bill is to enhance services for people affected by epilepsy by:

- (1) Creating the Epilepsy Treatment and Education Grants-in-aid Fund to help epilepsy victims and families;
- (2) Creating an advisory committee to recommend to the Department of Health (DOH) possible treatment and education programs.

The Epilepsy Foundation of Hawaii, Hawaii Caregivers Institute for Social Responsibility, Queen's Medical Center Epilepsy Center, and several concerned individuals supported this bill. The Hawaii Centers for Independent Living supported this measure with amendments. DOH opposed this bill.

Your Committee has amended this bill by:

- (1) Creating an Epilepsy Networking Task Force to establish a program to link networks on epilepsy, provide epilepsy education, awareness, and treatment initiatives designed to address service gaps and treatment needs of the people affected by epilepsy;
- (2) Changing the effective date to "upon its approval"; 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. 2286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2286, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 359-08 Health on H.B. No. 2134

The purpose of this bill is to support the Hawaii State Center For Nursing (Center) by allowing the Center to continue receiving funding to continue its mission of:

- (1) Collecting and analyzing data regarding the current and future status and trends of the nursing workforce;
- (2) Conducting research on best practices and quality outcomes;
- (3) Developing a plan for implementing strategies to recruit and retain nurses; and
- (4) Researching, analyzing, and reporting data related to the retention of the nursing workforce,

by extending by five years the sunset date of the deposit and disbursement of certain nursing fees into the Compliance Resolution Fund to the credit of the Center For Nursing Special Fund.

The Board of Nurses, Hawaii Pacific Health, Queen's Medical Center, Healthcare Association of Hawaii, and numerous concerned individuals supported this bill. The Hawaii Nurses' Association and several concerned individuals opposed this measure.

Your Committee finds that while the work is very important in the area of collecting and studying data, more should be done regarding implementing those programs that will support and sustain the nursing workforce.

Your Committee has amended this bill by changing the sunset date to July 1, 2010, extending it only one year.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2134, 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. 2134, H.D. 2.

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

SCRep. 360-08 Economic Development & Business Concerns on H.B. No. 2736

The purpose of this bill is to support small business in Hawaii by establishing the Small Business Bill of Rights.

The Small Business Regulatory Review Board, National Federation of Independent Business Hawaii, Hawaii Business League, and Retail Merchants of Hawaii supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of the measure. The Office of Ombudsman (Ombudsman) submitted comments.

Your Committee notes that the Ombudsman raised concerns about the confidentiality of certain information that might be requested and the fact that the Small Business Bill of Rights would give unfair preference to a particular group by prioritizing a certain category of complaints regarding government.

After careful consideration, 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 H.B. No. 2736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2736, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 361-08 Economic Development & Business Concerns on H.B. No. 2961

The purpose of this bill is to improve the State's ability to measure and evaluate the impact made on Hawaii's economy through use of the High Technology Business Investment Tax Credit (Investment Tax Credit) and the Tax Credit for Research Activities. Among other things, this bill:

- (1) Authorizes the Department of Taxation (DOTax) to study and evaluate the economic impact of existing and proposed state tax incentives;
- (2) Authorizes DOTax to collect information from January 1, 2002, as part of its annual survey of businesses that have claimed the Investment Tax Credit;
- (3) Requires DOTax to report annually to the Legislature, until 2012, on its findings of the economic impact of the two tax credits; and
- (4) Appropriates funds for these purposes.

DOTax and the PacifiCap Group testified in support of this bill. The Hawaii Venture Capital Association supported the intent of this measure. The Hawaii Science & Technology Council supported this bill with amendments. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Requiring information from January 1, 2002, to be included in DOTax's annual survey of businesses that have claimed the Investment Tax Credit;
- (2) Reinstating the requirement that DOTax adopt rules pursuant to Chapter 91, Hawaii Revised Statutes, to implement the annual survey;
- (3) Requiring information collected through the annual survey to be reported to the Legislature 20 days prior to the convening of each regular session; 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 H.B. No. 2961, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2961, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 362-08 Economic Development & Business Concerns on H.B. No. 3029

The purpose of this bill is to further clarify requirements for the payment of prevailing wages on public works projects by including, as a public work, construction contracts between private persons using state or county land for commercial, profit-making activity.

The Hawaii Carpenters Union (Union) testified in support of this bill. The Department of Land and Natural Resources, Department of Accounting and General Services, and Department of Labor and Industrial Relations (DLIR) opposed this measure.

Your Committee notes that DLIR and the Union are working together to come up with mutually-agreed upon language to achieve the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3029, 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 Ching. (Representative Marumoto voted no.)

SCRep. 363-08 Public Safety & Military Affairs on H.B. No. 3402

The purpose of this bill is to exempt the installation or construction of civil defense warning or signal devices from county zoning or permitting requirements.

Testimony in support of this measure was received from the Department of Defense and a concerned individual.

Your Committee finds that it takes approximately two years to install an outdoor warning siren. Much of this time is spent processing county permits required prior to the installation. This measure will speed the installation of additional outdoor warning siren systems by eliminating permitting delays. Your Committee believes that this permit exemption will increase the safety and welfare of the residents of the State by enabling more persons to receive warning of impending tsunami or other emergencies.

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. 3402 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 Representative Nakasone.

SCRep. 364-08 Public Safety & Military Affairs on H.B. No. 2740

The purpose of this bill is to appropriate funds to the county of Maui for the costs of recovery and damage mitigation caused by the winter storms of December 2007.

Specifically, this bill appropriates \$1,500,000 for fiscal year 2008-2009 as a grant-in-aid to the county of Maui for necessary damage repair and mitigation projects.

Your Committee received testimony in support of this bill from the County Council of Maui and the Kula Community Association. The Departments of Hawaiian Home Lands and Defense submitted testimony supporting the intent of the bill.

Your Committee finds that the damage to property in Maui county from the strong winds, reaching up to seventy miles per hour, and rainfall totals, reaching the one hundred year event level, is so extensive that the appropriation made in this bill is necessary and appropriate.

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. 2740 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 365-08 Health/Human Services & Housing on H.B. No. 2412

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 appropriating \$5,774,340 for the State's portion of the federal disproportionate share hospital allowance.

The Healthcare Association of Hawaii, The Queen's Medical Center, Hawaii Pacific Health, Hawaii Government Employees Association, and Hawaii Business Roundtable supported this bill. The Department of Human Services 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. 2412 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 and Cabanilla.

SCRep. 366-08 Health/Human Services & Housing on H.B. No. 2572

The purpose of this bill is to encourage psychiatrists to work in rural, underserved areas of the state by:

- (1) Ensuring psychiatrists are reimbursed on all Medicare codes for the provision of medical services to patients at a rate not less than 100 percent of the Medicare reimbursement amount that is in effect for the current year and updated for each calendar year; and
- (2) Establishing a \$30 differential for reimbursements to psychiatrists practicing on the neighbor islands.

The Hawaii Medical Association, Psychiatric Access Collaboration, Hawaii Psychiatric Medical Association, Hawaii Centers for Independent Living, and several concerned individuals supported this bill. The Hawaii Medical Service Association and Hawaii Association of Health Plans opposed this measure. The Department of Human Services submitted comments.

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. 2572, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2572, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 367-08 Tourism & Culture on H.B. No. 2985

The purpose of this bill is to provide incentives to improve Hawaii's hotel facilities by establishing a temporary income tax credit, available for taxable years beginning after December 31, 2013, and ending before January 1, 2020, equal to fifteen percent of the renovation costs incurred for a hotel facility (Hotel Renovation Tax Credit).

The Hawaii Tourism Authority and Outrigger Hotels supported this bill. The Hawaii Hotel & Lodging Association supported the intent of this measure. The Department of Business, Economic Development, and Tourism and Department of Taxation (DOTAX) submitted comments.

Your Committee recognizes the growing concerns regarding the conversion of hotels to time-shares and condominiums. This issue appears to be of particular concern with respect to non-beachfront properties, which may not command the same room rates as beachfront properties. Greater revenue for beachfront properties allows such properties to pay for needed renovation costs, whereas non-beachfront properties may not be able to afford to upgrade their facilities. Your Committee respectfully requests future legislative efforts to consider appropriate ways to address this particular issue.

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

- (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. 2985, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2985, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 368-08 Tourism & Culture on H.B. No. 3243

The purpose of this bill is to provide financial support for the Honolulu Symphony by appropriating \$810,000 to meet the shortfall in funding for operations of the Honolulu Symphony and its programs.

The Honolulu Symphony Society and numerous concerned individuals supported this bill. The Department of Accounting and General Services opposed this bill. The Department of Budget and Finance and the State Foundation on Culture and the Arts (SFCA) submitted comments.

Your Committee notes that Act 97, Session Laws of Hawaii 2006, (Act 97), and Act 156, Session Laws of Hawaii 2007, (Act 156), were passed by the Legislature and enacted into law to provide the Honolulu Symphony with a funding source for its operations, the State of Hawaii Endowment Fund (Fund). An appropriation of \$4,000,000 was made to the Fund, provided that these funds were matched by private funds or pledges, with income and capital gains from the Fund to be used for the Honolulu Symphony. However, public testimony indicated that, though these funds were released by the Governor in December of 2006, they have not been transferred and deposited into the Fund. A meeting was held in January of 2008 between state officials, the Honolulu Symphony Society, and the Honolulu Symphony Foundation where the parties involved gained an understanding of the matching requirements that must be fulfilled for the \$4,000,000 in appropriated state funds to be transferred and deposited into the Fund.

In light of this information, your Committee has amended this measure by:

- (1) Deleting, in the purpose section, the erroneous statement that funds from Act 97 and Act 156 have not been released to the SFCA, the administrative agency for the Fund;
- (2) Voiding the appropriation contained in this measure if \$4,000,000 in general funds are transferred and deposited into the Fund pursuant to Act 97, as amended by Act 156;
- (3) Reducing the appropriation contained in this measure by the amount of funds in excess of \$3,190,000 in general funds, if any, transferred and deposited to the Fund pursuant to Act 97, as amended by Act 156; 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. 3243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3243, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 369-08 Transportation on H.B. No. 2093

The purpose of this bill is to improve traffic safety by requiring motor vehicle insurers to reduce, for a period of three years, insurance rates of senior citizens who successfully complete a driver improvement course.

AARP testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and State Farm Insurance Companies testified in opposition to this measure. The American Insurance Association submitted comments on this bill.

The prevention and the reduction of accidents and fatalities is the goal of the motoring public. Promoting safe driving through accident prevention programs is one means to achieve this goal. According to AARP, one of the largest providers of driver safety courses for older individuals, these programs work as attested to by a large percentage of the graduates from their course stating that they had made changes in their driving behavior and that lessons learned in the course helped them prevent being involved in an accident.

Your Committee notes that accident prevention programs help to improve traffic safety and that one way to promote these programs is by providing insurance rate reductions for persons completing the course. However, your Committee finds that restricting this rate reduction to those over the age of 55 seriously limits the programs potential for truly enhancing traffic safety.

Your Committee has amended this measure by:

- (1) Applying the insurance rate reduction to all principal operators of a motor vehicle who complete a motor vehicle accident prevention course approved by the Department of Transportation, regardless of age; and
- (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. 2093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2093, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 370-08 Transportation/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2893

The purpose of this bill is to improve ferry service within Maui County by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to assign priority mooring space to intra-county ferries serving Maui County; and
- (2) Exempting distributors of fuel sold for use by an intra-county ferry service from the fuel tax.

Several concerned individuals testified in support of this bill. A concerned individual testified in opposition of this measure. DLNR, Department of Taxation (DoTAX), and The Tax Foundation of Hawaii submitted comments.

Currently, ferry service is provided within the County of Maui that provides an additional mode of transportation for Maui residents, commuting workers, and visitors alike. Providing priority assignment of mooring space, as well as fuel tax exemptions for an intra-county ferry service, will result in a more reliable ferry service and will allow for this low cost mode of transportation to continue in the County of Maui.

However, your Committees understand the concerns raised by DoTAX regarding the placement of the tax exemption in the license tax section of the fuel tax law rather than the section specifying when the fuel tax is not applicable. Accordingly, your Committees have amended this measure by:

- (1) Providing for the fuel tax exemption in the section of the fuel tax law that specifies when the fuel tax is not applicable; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2893, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2893, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Morita, Nakasone, Sonson, Meyer, Pine and Thielen.

SCRep. 371-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2626

The purpose of this bill is to increase awareness of the endangered and endemic Hawaiian monk seal by designating the Hawaiian monk seal as the official state mammal of Hawaii.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaiian Monk Seal Recovery Team, KAHEA: The Hawaiian-Environmental Alliance, and numerous concerned individuals testified in support of this bill.

Your Committee finds that there are only 1,200 Hawaiian monk seals remaining, and that this population is at risk from the threat of habitat loss, entanglement in marine debris, human disturbance, fishery interaction, and infectious disease. Designation as the state mammal of Hawaii may help to raise public awareness and encourage protection efforts of this unique but critically endangered species.

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. 2626 and recommends that it pass Second Reading and be referred to the Committee on Tourism & Culture.

Signed by all members of the Committee.

SCRep. 372-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2625

The purpose of this bill is to increase awareness of the endangered and endemic Hawaiian monk seal by designating April 19 of each year as Hawaiian Monk Seal Day.

KAHEA: The Hawaiian-Environmental Alliance, the Hawaiian Monk Seal Recovery Team, and numerous concerned individuals testified in support of this bill. The Conservation Council for Hawaii supported the intent of this bill. The Department of Land and Natural Resources (DLNR) supported the bill with amendments.

Your Committee has amended this bill by:

- (1) Changing the date designated as Hawaiian Monk Seal Day from April 19 to every third Saturday in April; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that the intent of the Committee is to designate every third Saturday of April as Hawaiian Monk Seal Day. This is the day an annual seal count is conducted, along with community activities held by the National Marine Fisheries Service, DLNR, and community organizations across the state. However, your Committee notes that the designation of April 19 in the bill title may create a problem with this change in the date.

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. 2625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2625, H.D. 1, and be referred to the Committee on Tourism & Culture.

Signed by all members of the Committee.

SCRep. 373-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2518

The purpose of this bill is to encourage the preservation and protection of land in the state by creating a Land Conservation Incentives Tax Credit to allow taxpayers to deduct:

- (1) 50 percent of the value of the interest in lands donated in perpetuity for conservation purposes to the State or conservation agency; or
- (2) 50 percent of the amount invested in the management of lands for conservation purposes under a land protection agreement,

up to \$2.5 million, from their net income tax liability.

The Nature Conservancy of Hawaii, The Trust for Public Land, Historic Hawaii Foundation, Maui Land & Pineapple Company, Inc., Hawaii Agriculture Research Center, Maui Coastal Land Trust, and several 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. The Department of Taxation provided comments.

Private ownership of undeveloped land is costly, in terms of both liability and lost opportunity. However, the benefits of conservation land to the public are significant. Your Committee finds that this measure may help to provide some incentive to landowners to protect and conserve these lands.

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. 2518 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 374-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3345

The purpose of this bill is to appropriate funds for the improvement of state lands at Keehi Lagoon to accommodate the relocation of boat repair facilities from its current location at Kewalo Basin.

The Ocean Tourism Coalition, Honolulu Marine, LLC, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources provided comments.

Your Committee finds that the funds appropriated in this bill will be used to improve state lands, and the tenant boat repair facility is expected to finance any improvements required to use the lot as a boat repair facility.

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. 3345 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee. (Representatives Saiki and Thielen voted no.)

SCRep. 375-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3173

The purpose of this bill is to minimize damage to the natural resources of Hawaii and prevent navigational hazards by authorizing the Department of Land and Natural Resources (DLNR) to remove a grounded vessel under its control by any means necessary, rather than require DLNR to direct the vessel to a safer location.

DLNR, the Office of Hawaiian Affairs, and several concerned individual testified in support of this bill. The Ocean Tourism Coalition supported this measure with amendments.

To balance the interests of DLNR to expediently remove a grounded vessel and the vessel owner's interest in removing the grounded vessel at the least cost possible, your Committee has amended this bill by giving DLNR control over grounded vessels only after the vessel owner has been given an opportunity to remove the grounded vessel.

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

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3173, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3173, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 376-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3440

The purpose of this bill is to protect the people and resources on the island of Niihau by designating the Niihau community based fisheries management area.

The Office of Hawaiian Affairs testified in support of this bill. The 'Aha Kiolo Advisory Committee supported the measure with amendments. The Hawaii Nearshore Fishermen and a concerned individual opposed this measure. Pae 'Aina Communications, LLC, provided comments.

To more effectively carry out the intent of this bill, your Committee has amended this bill by creating a marine life conservation district with exceptions for subsistence fishing and limu harvesting by the residents of Niihau, instead of a community based subsistence fishing 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. 3440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3440, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 377-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2350

The purpose of this bill is to codify the common law regarding the liability of landowners for personal injury or property damage caused outside of the land by naturally occurring land failures on the land.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, and Kamehameha Schools testified in support of this bill. The Attorney General, City and County of Honolulu, and Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Removing the provision that the standard of negligence applies to public landowners when injury or damage occurs to persons on a public roadway caused by naturally occurring land failures on the land and exempting both private and public landowners from such liability; 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. 2350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2350, 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. 378-08 Human Services & Housing on H.B. No. 3143

The purpose of this bill is to streamline government administration by repealing an unnecessary provision requiring state and county agencies and the Judiciary to submit annual reports to the Legislature regarding parental preferences in government contracts, programs, and services.

The Department of Human Resources Development supported this bill. The Judiciary submitted 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. 3143 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 379-08 Human Services & Housing on H.B. No. 2845

The purpose of this bill as received by the Committee is to authorize the police to enter and enforce laws in common areas of public housing projects.

For purposes of receiving public input, your Committee made a proposed draft available prior to the hearing that replaces the contents with provisions that prohibit the Hawaii Public Housing Authority (HPHA) from terminating the tenancy of both tenants after a divorce or legal separation, upon providing HPHA with legal documentation designating one of the tenants to remain in the public housing project or complex.

A concerned individual testified in support of the proposed bill. HPHA opposed the proposed measure. A concerned individual provided comments on the proposed bill.

Your Committee's intent is to clarify which of the tenants will be able to remain in the public housing project after a divorce, annulment, or legal separation when both people are on the lease. It is not your Committee's intent to allow individuals to circumvent existing HPHA policies.

Your Committee has amended this bill as received by inserting the contents of the proposed draft and also adding a provision that allows HPHA to accept a written agreement by the divorcing or separating tenants that specifies which individual will remain in the public housing complex.

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. 2845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2845, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

SCRep. 380-08 Human Services & Housing on H.B. No. 2731

The purpose of this bill is to improve security at the Kalanihua Elderly Housing Project by appropriating \$21,091 for fiscal year 2008-2009 to hire on contract at least one full-time security officer for the Project.

The Hawaii Public Housing Authority supported the intent of this measure. A concerned individual submitted 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. 2731 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 381-08 Human Services & Housing on H.B. No. 3303

The purpose of this bill is to assist Marshallese immigrants on the Big Island in dire need of help by appropriating funds for the Hawaii County Economic Opportunity Council (Council) to provide them with a range of employment, educational, social, and transportation services.

The Council testified in support of this bill.

Many recently-arrived Marshallese live in poverty and lack the educational, economic, and social means to improve their condition and access available services. This bill enables the Council to provide a range of important services, including:

- (1) Employment core services;
- (2) A dropout prevention program for at-risk students;
- (3) A language arts multicultural program to raise the academic achievement of elementary school students; and
- (4) A head start home-based program for preschool children.

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. 3303 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 382-08 Human Services & Housing on H.B. No. 3134

The purpose of this bill is to prevent the recurrence of child abuse or neglect by establishing a Well Child Follow-up Visit Pilot Project (Pilot Project) for the Department of Human Services (DHS) to conduct visits with families who have been reported to and investigated by Child Welfare Services, but who have not been confirmed for child abuse and neglect.

DHS and Catholic Charities Hawaii testified in support of this bill.

Your Committee has amended this bill by:

- (1) Specifying that the Pilot Project cease to exist on June 30, 2009;
- (2) Changing the effective date to July 1, 2008; 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. 3134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3134, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 383-08 Human Services & Housing/Health on H.B. No. 3231

The purpose of this bill is to expand services to Medicaid and QUEST participants by adding chiropractic services as a benefit, limited to 24 visits per year.

The Hawaii State Chiropractic Association testified in support of this bill. The Department of Human Services (DHS) did not support this measure.

Your Committees have amended this bill by:

- (1) Requiring DHS to submit a request to the federal Centers for Medicare and Medicaid Services (CMS) to amend the State Medicaid Plan to include additional benefits for chiropractic services;
- (2) Requiring DHS to submit a report to the Legislature upon receiving a response from CMS; 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. 3231, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3231, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 384-08 Health on H.B. No. 2169

The purpose of this bill is to bring the Board of Medical Examiners (Board) in line with similar state boards across the country and eliminate any confusion between the county medical examiner that performs death investigations and the Board which oversees licensure and regulations of physicians in Hawaii by changing the Board's name to the Hawaii Medical Board.

The Board of Medical Examiners 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 H.B. No. 2169, 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 Representatives Belatti and Shimabukuro.

SCRep. 385-08 Health on H.B. No. 2385

The purpose of this bill is to ensure psychologists may continue to provide services to clients with limited interruptions by providing a jury service exemption for actively practicing psychologists.

Several concerned individuals supported this bill. The Judiciary and League of Women Voters of Hawaii 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. 2385 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 Shimabukuro.

SCRep. 386-08 Health on H.B. No. 2118

The purpose of this bill is to improve treatment and care for tuberculosis patients by appropriating funds to support programs that:

- (1) House tuberculosis patients and provide inpatient care to uninsured and underinsured tuberculosis patients;
- (2) Provide coverage for secured housing for nonadherent tuberculosis patients and treatment of multidrug-resistant or other complicated cases of tuberculosis on a case-by-case basis; or
- (3) Retrofit rooms in facilities for AFB (acid-fast bacillus smear, culture, and sensitivity) isolation or secured housing for nonadherent tuberculosis patients, or both, based on a demonstration of local needs and on standards developed by the department of health.

The Department of Health (DOH) opposed this bill. The Attorney General submitted comments.

Upon further consideration, your Committee has amended this measure by clarifying that DOH is to fund operations that meet the objectives listed in the purpose paragraph.

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. 2118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2118, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 387-08 Judiciary on H.B. No. 2998

The purpose of this bill is to establish the Adam Walsh Act compliance working group to determine, among other things, the laws that need to be amended and new laws that need to be enacted to comply with the federal Adam Walsh Child Protection and Public Safety Act of 2006.

The Department of Public Safety supported the intent of this bill. The Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Maui County Police Department, and the Honolulu Police Department opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2998, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2998, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 388-08 Judiciary on H.B. No. 3369

The purpose of this bill is to provide much-needed legal services for low-income individuals by appropriating funds for the Legal Aid Society of Hawaii, Na Loio, and Volunteer Legal Services of Hawaii.

Hawaii Disability Rights Center, Hawaii Justice Foundation, Hawaii Womenwork!, Legal Aid Society of Hawaii, Na Loio, Volunteer Legal Services Hawaii, Mediation Center of the Pacific, League of Women Voters of Hawaii, and Native Hawaiian Legal Corporation supported this bill.

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

Your Committee finds that the legal service organizations specified in this measure all provide necessary and worthwhile services for Hawaii's residents in need. Your Committee also notes that the appropriations made in this measure are made through the Department of Accounting and General Services. Your Committee is concerned that such appropriations may be more appropriately channeled through the budget for the Judiciary, and encourages the organizations involved and the Judiciary to continue their discussions in that respect.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3369, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3369, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 389-08 Judiciary on H.B. No. 3422

The purpose of this bill is to improve civil legal services to indigents by increasing the revenues that help fund such programs. This bill increases the surcharges on initial court filing fees in civil actions from:

- (1) \$25 to \$50 in the circuit courts; and
- (2) \$10 to \$25 in the district courts.

Moneys collected from the surcharges are deposited into the Indigent Legal Assistance Fund and distributed to qualified organizations or programs that provide civil legal services to indigents.

This bill also expands eligibility for legal services by increasing the income qualifications of an indigent person from 125 percent to 250 percent of the official poverty line established by the United States Secretary of Health and Human Services.

Hawaii Disability Rights Center, Hawaii Justice Foundation, Na Loio – Immigrant Rights and Public Interest Legal Center, Domestic Violence Action Center, Native Hawaiian Legal Corporation, and Legal Aid Society of Hawaii testified in support of this bill. An individual offered comments.

Your Committee has amended this bill by:

- (1) Inserting a savings clause; and
- (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. 3422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3422, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 390-08 Judiciary on H.B. No. 3377

The purpose of this bill is to improve safety on Hawaii's roadways by, among other things, requiring the installation of ignition interlock devices (ignition interlock) into the motor vehicles of persons arrested for driving under the influence of an intoxicant while their cases are pending and while their licenses are revoked. An ignition interlock is a device that prevents a motor vehicle from being started by a person with more than a minimal alcohol concentration.

The Department of Transportation, City and County of Honolulu Department of the Prosecuting Attorney, Honolulu Police Department, Mothers Against Drunk Driving, Alliance of Automobile Manufacturers, and Anheuser Busch Companies testified in support of this bill. The Department of Transportation supported this measure with amendments. The Department of Health supported the intent of this bill, and the Attorney General, Judiciary, State Office of the Public Defender, and The Century Council 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. 3377 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 391-08 Judiciary on H.B. No. 3226

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by:

- (1) Requiring that the 12 members or more of the UH Board of Regents (BOR) who represent specified geographical areas also reside in those areas;
- (2) Clarifying the purpose of the Candidate Advisory Council by renaming it the Regents Candidate Advisory Council (RCAC);

- (3) Requiring the Governor to inform RCAC of the resignation, death, or removal of a BOR member within 10 days of the removal or of receiving notification of the resignation or death;
- (4) Requiring RCAC to submit names of BOR candidates to the Governor within 60 days--instead of 30 days--of a vacancy that arises by resignation, death, or removal by the Governor;
- (5) Making confidential the information concerning potential BOR candidates that is not of public record, except for information concerning a candidate who is appointed by the Governor, which must be disclosed as provided by law; and
- (6) Appropriating \$152,000 to establish a permanent administrative position for RCAC.

RCAC supported this bill. The Office of the Governor supported the intent of this measure.

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

- (1) Specifying that the Governor's notification of RCAC of the resignation, death, or removal of a BOR member must be in writing; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that the Office of the Governor and RCAC have both expressed concerns about the requirement in the current draft that information relating to a candidate nominated by the Governor, other than information already of public record, be disclosed as provided by law. Furthermore, the Office of the Governor asserts that the appropriation in this bill is unnecessary because the funding for administration of RCAC has already been made a BOR priority and included within the Executive Supplemental Budget request. Your Committee respectfully requests that the Committee on Finance address this issue.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3226, 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. 3226, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 392-08 Education/Labor & Public Employment on H.B. No. 2480

The purpose of this bill is to:

- (1) Improve the quality of teaching for Hawaii's students; and
- (2) Reward the good performance of teachers,

by providing performance step increases for the next five years to only teachers who receive satisfactory performance evaluations. This bill excludes educational officers from eligibility for these increases.

The Hawaii State Teachers Association testified in support this bill and suggested an amendment. The Department of Education (DOE) and Office of Collective Bargaining supported the intent of this measure. The Department of Budget and Finance opposed this bill.

Your Committees have amended this measure by:

- (1) Requiring a teacher to have met the criteria for a highly qualified teacher pursuant to the federal No Child Left Behind Act to qualify for annual step increases;
- (2) Specifying that satisfactory service, which is an eligibility requirement for annual step increases, includes:
 - (A) Satisfactory student achievement and classroom results;
 - (B) Completion of extracurricular work with or for students;
 - (C) Fulfillment of teacher performance contracts; and
 - (D) Receipt of satisfactory ratings through the DOE's professional evaluation program for teachers;
 and
- (3) Requiring that the criteria for a satisfactory performance evaluation be aligned with the standards and procedures articulated in a collective bargaining agreement.

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. 2480, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2480, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, McKelvey, Nakasone, Saiki, Souki, Takai, Wakai and Ching.

SCRep. 393-08 Energy & Environmental Protection on H.B. No. 2401

The purpose of this bill is to support innovative alternatives to fossil fuels in electric power generation by authorizing the issuance of up to \$20,000,000 in special purpose revenue bonds (SPRBs) to assist Oceanlinx Hawaii LLC, with the planning, design, and construction of the hydrokinetic power generation facility off-shore of Maui.

Oceanlinx Hawaii LLC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., supported this bill. The Department of Budget and Finance submitted comments.

Upon further consideration and in light of testimony received for this measure, your Committee has amended this measure by:

- (1) Inserting provisions allowing for the consolidation of small bond issues into a single large issuance of SPRBs; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2401, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 394-08 Energy & Environmental Protection on H.B. No. 2507

The purpose of this bill is to assist the work of the Greenhouse Gas Emissions Reduction Task Force (Task Force) in its efforts to help reduce by January 1, 2020, greenhouse gas emissions in Hawaii to levels at or below the estimates of greenhouse gas emissions for 1990 by appropriating \$135,000 for fiscal year 2008-2009 for a Task Force Program Manager and a Task Force Project Assistant/Researcher.

The Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Sierra Club – Hawaii Chapter, and Hawaii Solar Energy Association supported this bill.

Your Committee would like to encourage further discussion with respect to the funding source for the two positions--whether by increasing the petroleum barrel tax, from the Environmental Response Fund, or from the state general fund.

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. 2507 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Karamatsu.

SCRep. 395-08 Judiciary on H.B. No. 2772

The purpose of this bill is to continue efforts to address human trafficking by:

- (1) Modifying the membership of the Hawaii Anti-trafficking Task Force (Task Force);
- (2) Extending the Task Force from June 30, 2008, to June 30, 2010; and
- (3) Appropriating \$10,000 for Task Force expenses.

The City and County of Honolulu Department of the Prosecuting Attorney, Hale Kipa, and The Sex Abuse Treatment Center testified in support of this bill. The Attorney General supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the effective date to June 29, 2008, the day before the Task Force ceases to exist; and
- (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. 2772, 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. 2772, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 396-08 Judiciary on H.B. No. 2693

The purpose of this bill is to satisfy the requirements of the Hawaii Constitution by making a separate appropriation to the Judicial Selection Commission (Commission) to meet its staff and operating expenses. This bill also requires the Department of Accounting and General

Services to provide various financial services to the Commission, including issuing warrants and making payments, which are consistent with the Commission's independent fiscal status.

The Judiciary and the Commission testified in support of this bill.

Article VI, Section 4 of the Hawaii Constitution provides that the "legislature shall provide for the staff and operating expenses of the judicial selection commission in a separate budget." The current practice of inserting the Commission's appropriation in the Judiciary's budget does not satisfy the requirement of a separate budget.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2693 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 397-08 Judiciary on H.B. No. 3293

The purpose of this bill is to help voters make a more informed decision during the 2008 general election on the question of convening a constitutional convention. This bill appropriates an unspecified sum for the Office of Elections to educate voters on the reasons for and against holding a constitutional convention.

The Office of Elections, the State Representative from the 25th House District, and an individual testified in support of this bill. An individual offered comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3293, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 398-08 Judiciary on H.B. No. 3053

The purpose of this bill is to clarify the powers and duties of the Attorney General with respect to notaries public. Specifically, this bill:

- (1) Criminalizes the notarization of a document where the notary public has not:
 - (A) Verified the identity of the signer; and
 - (B) Evidenced such notarization with a certificate signed and dated by the notary public and including the requisite information;
- (2) Criminalizes the misrepresentation of a notarized document;
- (3) Identifies conduct that would subject a notary to administrative fines; and
- (4) Establishes a six-year retention policy for notary public record books.

The Department of the Attorney General testified in support of this bill. The Escrow Association of Hawaii supported this measure in part. A concerned individual opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2112; and
- (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. 3053, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3053, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita, B. Oshiro and Sonson.

SCRep. 399-08 Judiciary on H.B. No. 3056

The purpose of this bill is to improve the process of regulating the conduct of and disciplining judges, and public confidence in this process, by proposing a constitutional amendment to replace the existing Commission on Judicial Discipline created by the Supreme Court with an independent Judicial Conduct Commission.

The Department of the Attorney General testified in support of this bill. The Judiciary opposed this measure.

Your Committee has amended this bill by:

- (1) Providing for an appeals process for a judge or justice whose conduct has resulted in sanction by the proposed commission;
- (2) Providing that this bill shall not take effect upon compliance with Article XVII, Section 3, of the Hawaii Constitution, 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. 3056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3056, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 400-08 Public Safety & Military Affairs on H.B. No. 2463

The purpose of this bill is to enhance the state's ability to recover from disasters by:

- (1) Authorizing the Director of Disaster Relief to use inmate labor to assist with disaster relief efforts; and
- (2) Establishing the inmate disaster relief labor program within the Department of Public Safety (DPS).

The Department of Defense and a concerned individual supported this bill. DPS supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Directing the Director of Disaster Relief to work with DPS in coordinating disaster relief plans using inmates; 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. 2463, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2463, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 401-08 Transportation on H.B. No. 2847

The purpose of this bill is to expand the scope under which persons who are subjected to administrative revocation of their driver's license may be granted a conditional license permit to include the necessity to drive:

- (1) To attend school or vocational training;
- (2) For personal medical or dental care or treatment; or
- (3) To assist in the care of another person who is unable to drive due to the other person's age, disability, or medical condition.

This bill also clarifies when a conditional license permit is permissible for certain commercial drivers.

The Judiciary submitted comments on this bill.

Currently, individuals who have their license revoked may apply for a conditional license permit after a minimum of thirty days to be allowed to drive for the remainder of the revocation period. To receive such a permit, certain conditions need to be met. Your Committee finds the additional conditions authorized by this measure are fair and reasonable.

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. 2847 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, Sonson and Meyer.

SCRep. 402-08 Transportation on H.B. No. 2856

The purpose of this bill is to attempt to deal with traffic congestion through innovative means by:

- (1) Requiring the Department of Transportation (DOT) to conduct a feasibility study on implementing a system of electronic road pricing in Hawaii;

- (2) Requiring the Director of DOT to submit a report to the Legislature on DOT's findings and recommendations; and
- (3) Appropriating funds for this feasibility study.

A concerned individual opposed this bill. DOT submitted comments on this measure.

Traffic congestion is often cited as a major concern for Hawaii residents. This situation is only expected to worsen in the near future. Although numerous proposals have been made to help alleviate this problem including fixed rail, bus rapid transit systems, carpooling, and high occupancy vehicle lanes, road pricing is an approach that has not been considered.

Road pricing is a system in which motorists pay a fee for the use of certain roadways or for driving in a particular area, the most famous of which is established in Singapore. While there are some drawbacks to such a system, studying the feasibility of establishing this type of system in Hawaii may be a step towards easing Hawaii's traffic congestion woes.

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. 2856 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 and Meyer.

SCRep. 403-08 Human Services & Housing on H.B. No. 2273

The purpose of this bill is to assist foster children and children transitioning from foster care by:

- (1) Appropriating funds for independent skills training; and
- (2) Authorizing the issuance of general obligation (GO) bonds to build transitional housing.

The Legal Aid Society of Hawaii and Hawaii Foster Youth Coalition 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) Replacing the authorization to issue GO bonds with an appropriation to provide vouchers and other financial housing assistance to allow foster youth and youth being released from foster care to choose their own 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 H.B. No. 2273, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2273, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 404-08 Human Services & Housing on H.B. No. 2039

The purpose of this bill is to remove barriers to public assistance by exempting the value of certain assets from being considered when determining eligibility.

The Hawaii Primary Care Association testified in support of this bill. The Legal Aid Society of Hawaii supported the intent of this measure. The Department of Human Services (DHS) did not support this bill. The Hawai'i Alliance for Community-Based Economic Development provided comments.

Your Committee notes that several testifiers agreed that it is important to review assets currently exempted, as well as items proposed to be exempted to ensure that the families that need the most assistance are adequately served. Additionally, it is possible that asset disregards could be implemented through Hawaii Administrative Rules rather than statute.

Accordingly, your Committee has replaced the contents of this bill with provisions requiring DHS to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2009 discussing current and proposed asset disregards.

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. 2039, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2039, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 405-08 Public Safety & Military Affairs on H.B. No. 2207

The purpose of the bill is to appropriate \$5,770,710 to the county of Hawaii to assist with earthquake recovery efforts.

Although the county of Hawaii received an emergency appropriation in 2007 from the State for damages caused by the earthquake of October 2006, additional funding is needed by the county to leverage federal matching funds from the Federal Highway Administration and the Federal Emergency Management Agency.

Your Committee recognizes the extensive damage done by the earthquake and the need for funding to help the county recover, rebuild, and return to normal life. The provision of state funds will allow the county of Hawaii to maximize the available federal reimbursements to support disaster relief.

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. 2207 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 406-08 Health on H.B. No. 2757

The purpose of this bill is to ensure the strength of Hawaii's health care safety net by:

- (1) Establishing a hospital capital loan program under the Department of Health (DOH); and
- (2) Requiring a loan be provided to Hawaii Medical Center, LLC.

The Hawaii Medical Center and several concerned individuals supported this bill. DOH opposed this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Specifying that DOH will provide the first loan to a private hospital in the state that annually services a patient population of 60 percent or more of uninsured, Medicaid, and Medicare patients; 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. 2757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2757, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 407-08 Health on H.B. No. 2758

The purpose of this bill is to ensure the strength of Hawaii's health care safety net by requiring the Department of Taxation (DOTAX) to defer general excise tax (GET) collection for the Hawaii Medical Center for hospital operations between July 1, 2008, and an unspecified date.

The Hawaii Medical Center and several concerned individuals supported this bill. DOTAX submitted comments.

Your Committee has amended this bill by:

- (1) Removing references to Hawaii Medical Center;
- (2) Clarifying that the GET exemption will be for any private hospital group in a county with a population greater than 500,000 with an annual patient population that consists of 60 percent or more of uninsured, Medicaid, and Medicare patients; 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. 2758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2758, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 408-08 Transportation on H.B. No. 3249

The purpose of this bill is to enhance bicycle safety by:

- (1) Prohibiting the parking of motor vehicles on bikeways; and
- (2) Establishing a fine of up to \$500 per violation.

The Sierra Club, Hawaii Chapter testified in support of this bill. The Department of Transportation (DOT) commented on this measure.

Bicycling is an alternative mode of transportation that not only helps relieve traffic congestion, but also helps maintain a healthy society. Unfortunately, bicycling in Hawaii is often referred to by bicyclists as "dangerous." Providing bikeways that are clear of parked vehicles protects the safety of bicyclists and encourages individuals to continue, or possibly begin, this healthy activity.

DOT recommended that the prohibition of parking on a bikeway and the fine accompanying this violation be added to the current statute that already prohibits driving on a bikeway. Accordingly, your Committee has amended this measure by placing these provisions in section 291C-123, Hawaii Revised Statutes, that prohibits driving upon a bikeway.

Other technical, nonsubstantive amendments were 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. 3249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3249, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 409-08 Transportation/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3406

The purpose of this bill is to improve, develop, and modernize Hawaii's commercial harbors by:

- (1) Expanding the authority of the Aloha Tower Development Corporation (ATDC) to include assisting in the statewide development of a harbors modernization plan;
- (2) Establishing a Harbors Modernization Group within ATDC; and
- (3) Authorizing the Department of Transportation (DOT) to issue revenue bonds to finance harbor improvements.

DOT, ATDC, the Department of Business, Economic Development, and Tourism, The Chamber of Commerce of Hawaii, Hawaii Harbor Users Group, Retail Merchants of Hawaii, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. Save Kahului Harbor.com, The Surfrider Foundation, Maui Chapter, Maui Tomorrow Foundation, Inc., Kahului Harbor Coalition, and a concerned individual testified in opposition to this measure.

Hawaii's harbors serve as a vital link between our state and the rest of the country, as well as the world. As an island state, Hawaii depends on its harbors to import a vast majority of the goods used by Hawaii's consumers. In fact, it is estimated that 98 percent of Hawaii's imported goods passes through its harbors. Hawaii's harbors also serve as the starting point for the exporting of products made in Hawaii to ports around the globe. Thus, our harbors play a major role in the everyday lives of Hawaii's residents.

Despite their importance, there is a shortage of port facilities at our commercial harbors. Critical capacity issues, including a lack of berthing space, and necessary infrastructure improvements to upgrade current facilities and harbor expansion, have not been addressed over the years, mainly because of a lack of revenue generation by and funding for our harbors system.

Your Committees find that ATDC has the expertise to develop harbor infrastructure and facilities. DOT is responsible for 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.

The expected growth in cargo transportation, the cruise industry, ferry systems, and other harbor uses necessitates immediate action to improve our commercial harbors. The comprehensive, system-wide harbor improvement strategy proposed by this measure is an important step in the State's long-range planning goals for its commercial harbor system and is an attempt to address the critical, time sensitive need for modernizing and improving Hawaii's harbor system.

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. 3406 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Morita, Nakasone, Sonson, Meyer, Pine and Thielen.

SCRep. 410-08 Human Services & Housing on H.B. No. 2042

The purpose of this bill is to guide the courts when awarding custody and visitation rights in disputes over a minor child. This bill clarifies the existing standards followed by the courts by providing 16 criteria to help determine what constitutes the best interest of the child.

Several individuals testified in support of this bill. Hawaii State Coalition Against Domestic Violence, VOICES, and an individual supported this bill with amendments.

Shared or joint custody and visitation can prove dangerous when there is a history of domestic violence in a relationship. Some believe that perpetrators of family violence often use visitation and custody to be violent to the victim. Accordingly, your Committee has amended this bill by specifying that the criteria regarding the cooperation of both parents in developing a plan to meet the child's interest may be

excluded if the court determines that family violence has been committed by a parent. 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. 2042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2042, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 411-08 Human Services & Housing on H.B. No. 2346

The purpose of this bill is to protect the welfare of minors by prohibiting a person from intentionally or knowingly causing or permitting a minor to inject, ingest, or inhale any controlled substance that has not been prescribed by a physician for the minor.

The Department of the Attorney General, Department of Public Safety, and 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 respectfully requests the Committee on Judiciary to examine some of the issues raised by stakeholders. One testifier stated that this measure does not require that the child be injured by the act.

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

- (1) Prohibiting a person from intentionally or knowingly introducing into a minor's body in any manner a controlled substance that has not been prescribed by a physician for the minor, except for the medical use of marijuana, pursuant to section 329-122, 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2346, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 412-08 Human Services & Housing on H.B. No. 3133

The purpose of this bill is to protect children by requiring family members who have knowledge that child abuse or neglect is occurring or that a child has been harmed due to abuse or neglect to report the matter to the police or the Department of Human Services (DHS).

DHS testified in support of this bill.

Testifiers raised a concern that in some cases, family members that are mandated to report matters under this measure may also be victims of domestic violence and they may be risking endangerment to themselves by reporting child abuse or neglect. Your Committee respectfully requests the Committee on Judiciary to examine this issue further.

Accordingly, for purposes of discussion, your Committee has amended this bill by exempting victims of domestic violence from the reporting requirements.

Other technical, nonsubstantive amendments were 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. 3133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3133, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 413-08 Human Services & Housing on H.B. No. 3379

The purpose of this bill is to more effectively address domestic violence by establishing several degrees of offenses of "abuse of a family or household member" and making other clarifying and conforming changes to Hawaii's domestic violence law.

The Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Prosecuting Attorney for the County of Hawaii, Department of the Prosecuting Attorney for the County of Maui (Maui Prosecutor's Office), Maui County Police Department, Hawaii Police Department, Hawaii State Coalition Against Domestic Violence, VOICES, and a concerned individual testified in support of this bill. The Honolulu Police Department supported this measure with amendments.

Your Committee engaged in discussion with testifiers on the reasons behind establishing abuse of a family or household member in the third degree as a petty misdemeanor. Testifiers stated that these types of offenses may arise from incidents not involving blood or serious physical injury, yet it is important to address these offenses to prevent future episodes of domestic violence. Although a petty misdemeanor is a lesser charge than a misdemeanor, testifiers explained that these cases are generally much more expeditious because they involve bench trials, as

opposed to jury trials which can take months. Any time saved in resolving these issues may help prevent future abuse. Additionally, a testifier from a neighbor island explained that in some counties, there is only one courtroom, which sometimes results in cases being settled for lesser charges because of an overload of cases requiring the courtroom.

Your Committee has amended this bill by:

- (1) Clarifying that the law enforcement officer must approve a request to transport a family or household member to a hospital or shelter; and
- (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. 3379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3379, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 414-08 Human Services & Housing on H.B. No. 2238

The purpose of this bill is to ensure the availability of affordable housing in the state by requiring the public housing projects of the Hawaii Public Housing Authority (HPHA), and any public housing project constructed or managed with State or county funds, to remain affordable in perpetuity.

HPHA offered comments on this bill.

Your Committee recognizes the importance of preserving State-subsidized housing for those families who have no other housing options. Your Committee notes that although HPHA is planning for the sale of its non-public housing inventory at Wilikina Apartments in Wahiawa and Banyan Street Manoa in Palama, the inventory will be sold to nonprofit organizations that will continue to provide the units as affordable units. HPHA is also planning to redevelop public housing to include affordable and market units, which housing authorities around the nation have done, but intends to maintain the current number of public housing units. As such, your Committee notes that HPHA requests that the provisions of this bill do not affect these plans.

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. 2238 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 415-08 Human Services & Housing on H.B. No. 2513

The purpose of this bill is to assist in the development of affordable housing in the state by authorizing the issuance of \$30,000,000 in general obligation bonds into the Dwelling Unit Revolving Fund for housing development programs.

The Hawaii Housing Finance and Development Corporation, Department of Community Services of the City and County of Honolulu, and Hawaii Habitat for Humanity 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. 2513 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 416-08 Human Services & Housing on H.B. No. 2047

The purpose of this bill is to support asset-building among low- and moderate-income families by:

- (1) Clarifying guidelines pertaining to individual development accounts (IDAs);
- (2) Designating the Department of Human Services (DHS) to administer IDAs; and
- (3) Appropriating funds to operate IDA programs.

The Legal Aid Society of Hawaii, ALU LIKE, Inc., and a concerned individual testified in support of this bill. The Hawai'i Alliance for Community-Based Economic Development supported this measure with amendments.

Your Committee has amended this bill by:

- (1) Allowing IDAs to be used for the purchase of a motor vehicle used for school or work transportation;
- (2) Requiring DHS to determine income limits;

- (3) Designating and allowing DHS to contract with fiduciary organizations;
- (4) Requiring fiduciary organizations to submit an annual report to DHS instead of the Legislature;
- (5) Repealing the cap on state funds that can be used by selected fiduciary organizations for administrative costs;
- (6) Appropriating \$400,000 in general or federal funds to operate IDAs; 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2047, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Green.

SCRep. 417-08 Human Services & Housing on H.B. No. 2425

The purpose of this bill is to enhance the quality of life for seniors by providing grants to support the operations of the Lanakila Multi-Purpose Senior Center, Kapahulu Center, Moiliili Community Center, and Waikiki Community Center.

Catholic Charities Hawaii, Waikiki Community Center, and numerous concerned individuals testified in support of this bill. Kapahulu Center supported this measure with amendments. The Attorney General and Department of Human Services provided comments.

The Attorney General stated that specific amounts need to be awarded as grants to each individual entity, rather than appropriating a lump sum to be split among several groups. Testimony from several organizations suggested the following appropriation amounts: \$170,000 for the Lanakila Multi-Purpose Senior Center, through Catholic Charities, \$80,000 for the Kapahulu Center, \$85,000 for Moiliili Community Center, and \$81,000 for the Waikiki Community Center. Additionally, several testifiers noted that the Department of Health is the appropriate expending agency.

Accordingly, your Committee has amended this bill by:

- (1) Allowing for the insertion of appropriation amounts for each of the designated senior centers; and
- (2) Changing the expending agency to the Department of Health.

Other technical, nonsubstantive amendments were 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. 2425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2425, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 418-08 Human Services & Housing/Health on H.B. No. 2761

The purpose of this bill is to improve the health and welfare of women between pregnancies by requiring the provision of post-partum and interconceptional care for female participants of child-bearing age under the QUEST program.

The March of Dimes, Healthy Mothers Healthy Babies of Hawaii, Hawaii Primary Care Association, and several concerned individuals supported this bill. The Hawaii Medical Service Association supported the intent of this measure and suggested amendments. The Department of Human Services (DHS) submitted comments.

Your Committees note that the projected total cost of the services contained in this measure is \$4,370,388. In addition, if this measure is passed and enacted into law, DHS will submit an amendment to the Hawaii Medicaid State Plan and to the QUEST 1115 Medicaid Waiver allowing each female participant of child-bearing age under QUEST to receive an additional four months of post-partum coverage as a benefit. If the amendment is approved by the Centers for Medicare and Medicaid services, the federal government will provide federal matching funds for the additional coverage.

In light of testimony received on this matter, your Committees have amended this measure by:

- (1) Requiring DHS to make appropriate adjustments to the "rate of payment per participating recipient" amount paid to health maintenance organizations and prepaid health plans pursuant to section 346-59(d), to allow for post-partum and interconception care coverage to QUEST recipients administered by a person licensed to practice medicine under chapter 453; and
- (2) Establishing that health maintenance organizations and prepaid health plans shall not be required to increase coverage to QUEST recipients for post-partum and interconception care administered to QUEST recipients until DHS makes adjustments to the "rate of payment per participating recipient" amounts.

Other technical, nonsubstantive amendments were also made for 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 are in accord with the intent and purpose of H.B. No. 2761, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2761, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tokioka.

SCRep. 419-08 Human Services & Housing/Health on H.B. No. 2816

The purpose of this bill is to require the Department of Health (DOH) to license substance abuse rehabilitation homes to ensure the health, safety, and welfare of the residents of the homes.

DOH provided comments.

Your Committees have amended this bill by:

- (1) Changing the term "substance abuse rehabilitation homes" to "clean and sober homes";
- (2) Requiring the operator of a clean and sober home to obtain a general excise tax license;
- (3) Requiring DOH to set occupancy limits based on room size, rather than the cost of the housing rental;
- (4) Requiring the operator of a clean and sober home to conduct at least one public informational meeting at a neighborhood board or county council meeting prior to commencing operations;
- (5) Establishing a task force comprised of DOH's Alcohol and Drug Abuse Division service providers to make recommendations to DOH for standard operating procedures for clean and sober homes; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2816, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2816, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 420-08 Economic Development & Business Concerns on H.B. No. 1629

The purpose of this bill is to significantly reduce burdens on business in Hawaii by repealing the corporate income tax.

The Department of Taxation (DOTAX) supported this measure. The Tax Foundation of Hawaii provided comments.

While the repeal of the corporate income tax would have the commendable effect of improving the business climate for corporations, DOTAX pointed out that the repeal would result in a revenue loss of approximately \$81,000,000 per year.

Your Committee would like to ensure that the savings realized by corporations under this measure will be invested in Hawaii's economy. Upon further reflection, your Committee has amended this bill by replacing its substance with a tax credit equal to 100 percent of a corporation's income tax liability. The credit may be claimed by qualified corporations that pay 100 percent of their employees at least the prevailing wage.

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. 1629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1629, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 421-08 Economic Development & Business Concerns on H.B. No. 2559

The purpose of this bill is to improve and update the State's laws regarding unclaimed property by replacing the current 1981 version of the Uniform Unclaimed Property Act with the most recent (1995) version.

The State Commission to Promote Uniform Legislation testified in support of this bill. The Department of Budget and Finance supported the intent of the measure.

Your Committee has amended this bill by:

- (1) Requiring that the value of a gift certificate, if abandoned, shall be deemed to be 100 percent, rather than 60 percent, of the gift certificate's face value;

- (2) Requiring life insurance companies to report abandoned property by November 1 of each year for the prior calendar year;
- (3) Requiring holders of abandoned property to send written notice to apparent owners not more than six months, rather than not more than 120 days or less than 60 days, before filing their reports;
- (4) Requiring the Director of Finance to advertise the name and address or location of an owner of abandoned property having a total value of \$100 or more, rather than \$50 or more;
- (5) Requiring determination of claims by persons, excluding other states, to be made within 120 days after a claim is filed, rather than 90 days; 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2559, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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

SCRep. 422-08 Human Services & Housing on H.B. No. 3060

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to resell reserved housing units.

HCDA testified in support of this bill.

Your Committee has amended this bill by requiring the units sold under this measure to remain affordable in perpetuity.

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. 3060, 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. 3060, H.D. 2.

Signed by all members of the Committee.

SCRep. 423-08 Human Services & Housing on H.B. No. 2512

The purpose of this bill is to support the development of affordable housing by appropriating funds for the counties to assist developers in contracting for third party review and certification to expedite the permitting and review process for affordable housing projects.

EAH Housing and General Contractors Association of Hawaii testified in support of this bill. The Hawaii Housing Finance and Development Corporation (HHFDC) and City and County of Honolulu Department of Planning and Permitting supported the intent of this measure.

Your Committee received testimony suggesting that funds should be available for third party reviews for at least the next five years and that third party reviews should be dedicated to projects for households with incomes of 80 percent and below of the area median income and that the possibility of accepting dedicated roadways for these projects should also be considered.

Your Committee has amended this bill by requiring HHFDC, rather than the counties, assist in contracting for third party review and certification.

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. 2512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2512, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 424-08 Human Services & Housing on H.B. No. 2735

The purpose of this bill is to improve security measures at Mayor Wright Homes public housing complex by:

- (1) Requiring the Hawaii Public Housing Authority (HPHA) to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2009 regarding the progress of security improvements; and
- (2) Appropriating \$235,582 to hire at least three security officers.

Many concerned individuals testified in support of this bill. HPHA supported the intent of this measure. A concerned individual provided comments.

Your Committee notes that HPHA suggested that the appropriation not be limited to security guards because security officers with arresting powers are needed to effectively address security problems in public housing projects.

Accordingly, your Committee has amended this bill by:

- (1) Expanding the purpose of the appropriation to include police officers and public safety officers with police powers; and
- (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. 2735, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2735, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 425-08 Higher Education on H.B. No. 2588

The purpose of this bill is to ensure that those who have served our country in the armed forces will have greater opportunities to achieve their educational goals by providing resident status to veterans for tuition purposes within the University of Hawaii (UH) system for no more than 36 months. This bill also appropriates funds for this purpose.

The representative from the 37th district and a concerned individual testified in support of this bill. The Office of Veterans' Services supported the intent of this measure. UH 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. 2588, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto, Saiki, Takai, Ching and Finnegan.

SCRep. 426-08 Higher Education on H.B. No. 3309

The purpose of this bill is to support the programs of the University of Hawaii (UH) College of Tropical Agriculture and Human Resources (UH-CTAHR) by appropriating funds to assist UH-CTAHR in moving its agribusiness incubator and Poamoho station projects and personnel to the Kunia area of Oahu.

UH, Dole Food Company Hawaii, and Hawaii Crop Improvement Association testified in support of this bill. The Department of Agriculture and Agribusiness Development Corporation supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3309, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nishimoto, Saiki, Takai, Ching and Finnegan.

SCRep. 427-08 Higher Education on H.B. No. 2519

The purpose of this bill is to address the critical shortage of health care professionals in Hawaii by providing incentives for physicians and dentists to work in health professional shortage areas (HPSAs) of the state. Specifically, this bill:

- (1) Establishes and appropriates funds for the Hawaii Health Corps that will provide loan repayment and stipends for physicians and dentists who agree to work in HPSAs and as first responders during civil defense and other emergencies; and
- (2) Expands and appropriates funds for the Enterprise Zone Business Tax Credit, general excise tax exemption, and other business incentives to include physicians and dentists who establish or maintain practices in areas designated as enterprise zones that are located in a HPSA.

The State Council on Developmental Disabilities, Healthcare Association of Hawaii, Kaiser Permanente Hawaii, and Hawaii Association of Health Plans testified in support of this bill. The University of Hawaii and Hawaii Health Systems Corporation supported the intent of this measure. The Department of Taxation and Department of Business, Economic Development, and Tourism offered comments.

Your Committee has amended this bill by:

- (1) Changing all appropriation to unspecified amounts; and
- (2) Changing its effective date to July 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2519, 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. 2519, H.D. 2.

Signed by all members of the Committee except Representatives Nishimoto, Saiki, Takai, Ching and Finnegan.

SCRep. 428-08 Higher Education on H.B. No. 2881

The purpose of this bill is to ensure prenatal services are provided to women who are afraid to visit conventional hospitals and clinics due to a drug or alcohol addiction they are struggling with by:

- (1) Making the perinatal clinic (Clinic) first established by Act 248, Session Laws of Hawaii 2006, permanent; and
- (2) Appropriating funds for the Clinic.

The Drug Policy Forum of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, PATH Clinic, and several concerned individuals testified in support of this bill. The Department of Human Services and University of Hawaii at Manoa supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing its effective date to July 1, 2020, to encourage further discussion.

Your Committee has also made technical, non-substantive 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. 2881, 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. 2881, H.D. 2.

Signed by all members of the Committee except Representatives Nishimoto, Saiki, Takai, Ching and Finnegan.

SCRep. 429-08 Higher Education on H.B. No. 3398

The purpose of this bill is to expand language programs in the University of Hawaii (UH) system by appropriating funds to provide Philippine language and Filipino-American studies courses systemwide.

The Filipino American Citizens League, National Federation of Filipino American Associations Region XII, Nursing, Advocates & Mentors, Inc., Congress of Visayan Organizations, Filipino Coalition for Solidarity, Katipunan Magazine of the Filipino Language and Philippine Literature Program at UH at Manoa, and many concerned individuals testified in support of this bill. UH supported the intent of this measure.

Your Committee has amended this bill by clarifying references to languages and culture by replacing some of the terms with "Filipino" and "Ilokano."

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. 3398, 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. 3398, H.D. 2.

Signed by all members of the Committee except Representatives Nishimoto, Saiki, Takai, Ching and Finnegan.

SCRep. 430-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2887

The purpose of this bill is to exempt tattoo artists deemed to be "Kahuna Ka Kakau" by the Department of Health (DOH) from the licensing requirements as a tattoo artist.

The Hawaiian Political Action Council of Hawaii and several concerned individuals testified in support of this bill. DOH provided comments.

DOH recommends that Kahuna Ka Kakau be completely exempted from all regulations and statutes relating to their practice of Hawaiian tattooing, because of the lack of expertise of DOH in the practice of traditional Hawaiian tattooing. Accordingly, your Committee has amended this bill to remove the requirement for DOH to develop best practices policies for traditional Hawaiian tattooing. Nonetheless, your Committee finds that it may be prudent to adopt basic guidelines solely to prevent illness or injury from infection or contamination resulting from the tattooing procedure.

This bill has also been amended by 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. 2887, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 2887, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 431-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3262

The purpose of this bill is to protect and preserve the valuable natural resources of Honolua Bay on the island of Maui by creating a temporary Honolua Bay Advisory Committee (Advisory Committee) tasked to develop a plan to acquire and manage Lipoa Point for public use.

The Department of Land and Natural Resources supported the intent of this bill. The Honolua Advisory Council and numerous concerned individuals opposed this measure. The Maui Land & Pineapple Company, Inc., provided comments.

Your Committee finds that community groups and the landowner are currently working on a management plan for Lipoa Point. However, efforts to protect Honolua Bay must encompass measures to protect the marine resources of Honolua Bay as well. Accordingly, your Committee has amended this bill by:

- (1) Tasking the Advisory Committee with the development of a Honolua Bay Marine Life Conservation District management plan, instead of an acquisition and management plan to purchase Lipoa Point; and
- (2) Adding a seat on the Advisory Committee to include a representative from the ocean tourism industry.

Other technical, nonsubstantive amendments were 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. 3262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3262, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 432-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3391

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR) to provide a comprehensive report on the status of the state's marine ecosystems.

The Hawaii Audubon Society, Hawaii Nearshore Fishermen, and several concerned individuals testified in support of this bill. The Nature Conservancy of Hawaii supported this measure with amendments. The Conservation Council for Hawaii, Ocean Law & Policy Institute, KAHEA: The Hawaiian-Environmental Alliance, and Hawaii Tropical Fish Association opposed this bill. DLNR provided comments.

Your Committee finds that the report for the next update for the State of the Coral Reef Ecosystems for the United States and Pacific Freely Associated States is due to be released in June 2008, and that another update will be released three years following that report. Accordingly, your Committee has amended this bill by requiring the final report to be submitted to the Legislature at least 20 days before the convening of the Regular Session of 2012.

Additionally, this bill has been amended by:

- (1) Providing funding for the report;
- (2) Including in the scope of the report effects from:
 - (A) Alien species;
 - (B) Runoff and sedimentation;
 - (C) Harvesting of marine resources;
 - (D) Pollution;
 - (E) Fresh water inputs; and
 - (F) Relevant material from other sources, such as the national "State of the Coral Reef Ecosystems";

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. 3391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3391, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 433-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2358

The purpose of this bill is to encourage and support agriculture by providing that an owner of an irrigation system does not owe a duty of care to a trespasser who enters land containing or bordering the irrigation system.

The Department of Agriculture and Agribusiness Development Corporation testified in support of this bill. The Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Amending the definition of "irrigation systems" to include the access trails used to access the agricultural water distribution system; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on 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. 2358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2358, 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. 434-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2607

The purpose of this bill is to protect and preserve the North Kohala coastline by directing:

- (1) The Office of Planning to petition the Land Use Commission to reclassify certain parcels along the North Kohala coastline on the island of Hawaii which are currently classified as agricultural to the conservation district; and
- (2) The County of Hawaii not to issue any special permits or land use, subdivision, building, or other permits to allow development of the specified parcels pending the preparation, filing, and final disposition of the petition.

The Office of Hawaiian Affairs, Council Chair of the Hawaii County Council, Kamakani O Kohala Ohana, Inc., Malama Na Wahi Pana O Kohala, and several concerned individuals testified in support of this bill. The Hawaii Building and Construction Trades Council, AFL-CIO, opposed this measure. The Department of Agriculture, Department of Land and Natural Resources, Office of Planning, and the Attorney General provided comments.

Your Committees note that the Attorney General raised concerns regarding the constitutionality of some of the provisions in this bill. However, your Committees believe that this bill is not exercising power over lands by transfer but instead regulating and providing oversight over the Office of Planning and a political subdivision. It is well within the power of the Legislature to provide direction to state agencies and political subdivisions.

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. 2607 and recommend that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Carroll, Herkes, Sagum, Ching and Meyer. (Representative Thielen voted no.)

SCRep. 435-08 Consumer Protection & Commerce on H.B. No. 2364

The purpose of this bill is to protect young riders of all-terrain vehicles (ATV) by:

- (1) Requiring ATV riders under the age of 18 to wear a safety helmet;
- (2) Prohibiting the leasing, renting, loan, or sale of an ATV to a minor without providing a safety helmet; and
- (3) Requiring the Director of Transportation to adopt rules establishing specifications and standards for safety helmets used by ATV drivers, operators, and passengers.

The Representative of the 19th District, Department of Health, Hawaii Medical Association, State Farm Mutual Automobile Insurance Company, Keiki Injury Prevention Coalition, Brain Injury Association of Hawaii, the Trauma Service at The Queen's Medical Center, and several concerned individuals testified in support of this bill. The Department of Transportation supported the intent of this measure. The Honolulu Police Department opposed 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. 2364, H.D. 1, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 436-08 Consumer Protection & Commerce on H.B. No. 3089

The purpose of this bill is to sufficiently fund the operating needs of the Insurance Division by authorizing the Insurance Commissioner to collect assessments on insurers in amounts sufficient to fund the Insurance Division's operations for the first quarter of the fiscal year following the year of assessment.

The Department of Commerce and Consumer Affairs testified in support of this bill. State Farm Insurance Companies supported the intent of this measure. The Hawaii Insurers Council opposed this bill. The American Council of Life Insurers submitted comments.

The Insurance Division is funded by the Compliance Resolution Fund (CRF). The Insurance Commissioner (Commissioner) makes assessments on insurers for deposit into the CRF to fund the regulation of the insurance industry. Currently, insurers are assessed to the extent the Commissioner's proposed fiscal year budget exceeds available funds in the CRF at the end of the prior fiscal year and anticipated revenues.

According to the Commissioner, the current law delays the Insurance Division's funding for the first quarter of each fiscal year. That is because the amount of funds at the end of the prior fiscal year must first be determined before an assessment can be made, and because insurers must receive at least sixty days notice of when their assessments are due.

Your Committee finds that the Insurance Division's funding concerns, balanced against the interests of insurers in ensuring that assessments are not excessive, merits further consideration.

Accordingly, your Committee has amended this bill by making the following changes to encourage further discussion:

- (1) Blanking out the percentage of the Commissioner's proposed fiscal year budget forming the basis of the amounts assessed by the Insurance Division; and
- (2) Changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3089, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Thielen.

SCRep. 437-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2308

The purpose of this bill is to enhance consumer awareness in charitable giving by requiring charitable organizations that intend to solicit funds to register with and submit annual financial statements to the Department of the Attorney General (AG).

The Office of Hawaiian Affairs testified in support of this bill. The Hawaii Alliance of Nonprofit Organizations opposed this measure.

Registration and financial reporting requirements for charitable organizations were repealed by Act 120, Session Laws of Hawaii 1996. Your Committees find that the reenactment of such requirements will help consumers obtain information about a charity before making donations and provide useful information to law enforcement in their oversight of these organizations.

Your Committees have amended this bill by replacing its entire contents with similar provisions that, among other things:

- (1) Require charitable organizations, with certain exemptions, to register and file annual financial reports with the AG;
- (2) Require audited financial statements for charities with over \$500,000 in gross revenue for the year covered by the annual financial report;
- (3) Establish registration fees based upon the charitable organization's income;
- (4) Require professional solicitors to report national and local gross revenues in financial reports to the AG;
- (5) Prohibit charities from using the services of an unregistered professional solicitor or professional fundraising counsel;
- (6) Authorizes the AG to issue subpoenas to investigate suspected violations and seek injunctions to restrain violations; and
- (7) Repeal the bonding requirement for professional fundraising counsel.

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. 2308, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2308, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Ito and Sonson.

SCRep. 438-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2326

The purpose of this bill is to protect homeowners who face property foreclosures by establishing protections for these homeowners when they sign a contract with a foreclosure consultant or agree to transfer title to their property in an arrangement that allows the homeowner to repossess the property following the completion of the foreclosure proceeding.

The Legal Aid Society of Hawaii testified in support of the intent of this bill. The Department of Commerce and Consumer Affairs submitted comments.

Homeowners who face property foreclosure are particularly vulnerable to scams offering to help them keep their properties. These scams include fees charged for supposedly negotiating with the homeowner's creditors, when, in fact, the "consultant" does little or no work and disappears with the homeowner's money. Other scams involve foreclosure reconveyance agreements in which investors convince the homeowner to transfer ownership of the property facing foreclosure under an agreement that would allow the homeowner to later attempt to buy back the property. In many cases, the homeowner finds it impossible to buy back the property, or becomes a tenant of the property and subsequently gets evicted.

Your Committees have amended this bill by replacing its entire contents with similar provisions that protect homeowners who face property foreclosures, liens, or encumbrances (distressed property) by, among other things:

- (1) Requiring contracts for distressed property consultation services or conveyances to be in writing with minimum disclosures and a homeowner's right of cancellation;
- (2) Establishing requirements for distressed property leases;
- (3) Prohibiting certain acts by distressed property consultants and purchasers;
- (4) Limiting the amount a distressed property purchaser can charge for a homeowner to repurchase the distressed property in a distressed property conveyance contract; and
- (5) Establishing a minimum amount of consideration to be paid to the homeowner in a distressed property conveyance contract.

Your Committees have also 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 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. 2326, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2326, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Ito and Sonson.

SCRep. 439-08 Consumer Protection & Commerce/Judiciary on H.B. No. 3088

The purpose of this bill is to enhance the regulation of mortgage brokers and solicitors by replacing the existing law regulating these entities with a new law providing for more specialized regulation by the Division of Financial Institutions of residential mortgage brokers, residential mortgage lenders, and residential loan originators.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of this bill. The Hawaii Financial Services Association, First Hawaiian Bank, and Primerica Financial Services Home Mortgages, Inc., supported the intent of this measure. The Mortgage Bankers Association of Hawaii and numerous concerned individuals opposed this bill.

Your Committees note that H.B. No. 2408 has the similar purpose of improving the regulation of mortgage brokers and solicitors, albeit through a different approach that your Committees have decided to pursue at this time. However, H.B. No. 2408 has not been referred to the Committee on Finance and lacks an appropriation that may be necessary to fund DCCA's administration of the provisions of that bill.

Accordingly, your Committees have amended this bill by replacing its contents with an appropriation for DCCA to administer and enforce the provisions of H.B. No. 2408 regulating mortgage brokers and solicitors.

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. 3088, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3088, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Ito and Sonson.

SCRep. 440-08 Tourism & Culture/Economic Development & Business Concerns on H.B. No. 3196

The purpose of this bill is to support the State Highway Fund and efforts to repair and maintain the state highway system by extending the assessment of the \$3 per day rental motor vehicle surcharge tax (Surcharge Tax) to August 31, 2009, after which, the Surcharge Tax reverts to \$2 per day. In addition, this bill requires the Department of Transportation (DOT) to study the financial requirements of the State Highway Fund and submit a final report, including proposed legislation for increasing revenue sources for the State Highway Fund to meet its needs, prior to the convening of the Regular Session of 2009.

Catrala-Hawaii supported this bill. The Department of Taxation and DOT supported this measure and suggested amendments. The Tax Foundation of Hawaii submitted comments.

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. 3196, H.D. 1, and recommend that it be referred to the Committee on Finance.

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

SCRep. 441-08 Tourism & Culture/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2323

The purpose of this bill is to provide a dedicated source of revenue to finance improvements to visitor area beaches in the state by:

- (1) Establishing the Visitor Area Beach Restoration Special Fund (Visitor Beach Special Fund) administered by the Hawaii Tourism Authority (HTA) to provide for the development and restoration of sandy beaches and the maintenance of any permanent improvements or in nearshore waters for visitor area beaches throughout the state, as determined by HTA;
- (2) Transferring five percent of the transient accommodations tax revenue deposited into the Tourism Special Fund (TSF) to the Visitor Beach Special Fund for fiscal year 2008-2009; and
- (3) Appropriating funds out of the Visitor Beach Special Fund to pay for the entire cost of the visitor area beach restoration project fronting the Royal Hawaiian Hotel on Waikiki beach on Oahu.

Waikiki Improvement Association and Kyo-ya Hotels & Resorts, LP, supported this bill. Outrigger Hotels and the Hawaii Hotel & Lodging Association supported the intent of this measure. The Department of Land and Natural Resources (DLNR), Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, HTA, and several concerned individuals opposed this bill. The Department of Budget and Finance submitted comments.

Upon further consideration, your Committees have amended this measure by deleting its contents and incorporating provisions that:

- (1) Establish the Resort Beach Restoration Fund (Restoration Fund) as a sub-account of the existing Beach Restoration Special Fund administered by DLNR;
- (2) Specify general funds appropriated by the Legislature and TSF monies as the sources of funding for the Restoration Fund;
- (3) Prohibit funds from being released for expenditure out of the Restoration Fund unless:
 - (A) Matched by non-state funds on at least a one-to-one basis; and
 - (B) At least fifty per cent of the funds released are funds transferred from the TSF;
- (4) Specify that the Restoration Fund shall be used to provide for the development and restoration of visitor area resort beaches, including maintenance of any improvements placed on the visitor area resort beach or in nearshore waters, as determined by DLNR;
- (5) Define "visitor area resort beaches" to mean sandy resort beaches that provide public access, including but not limited to Gray's Beach in Waikiki, Oahu, and Kaanapali Beach on Maui;
- (6) Authorize HTA, from July 1, 2008, through June 30, 2010, to transfer a maximum of \$2,000,000 out of the TSF for the Restoration Fund;
- (7) Appropriate \$1,000,000 in general funds for fiscal year 2008-2009 to be deposited into the Restoration Fund;
- (8) Authorize HTA to transfer \$1,000,000 in TSF monies to the Restoration Fund for fiscal year 2008-2009; and
- (9) Appropriate \$2,000,000 out of the Restoration Fund for fiscal year 2008-2009 to pay for the costs of visitor area resort beach restoration projects in the state, including Gray's Beach in Waikiki, Oahu, and Kaanapali Beach on Maui.

This measure also contains an effective date of July 1, 2025, to encourage further discussion.

Your Committees recognize the concerns raised during the public hearing on this matter regarding the impact that this bill may have in altering DLNR policies with respect to beach restoration, and in pitting visitor area resort beaches against non-resort beaches. It is not the intent of your Committees to interfere with existing priorities or policies in place by DLNR. Instead, this measure is intended to provide additional resources, including required matching funds from private and other non-state sources, to fund development and restoration of visitor area resort beaches. Your Committees note that this measure contains its own general fund appropriation as well as authorization for HTA to transfer TSF monies to provide capital for the Restoration Fund. No funds earmarked for the existing Beach Restoration Special Fund under section 171-156(a), Hawaii Revised Statutes, are diverted to the newly-created Restoration Fund.

In addition, in light of questions raised during the public hearing, your Committees respectfully request DLNR to assist in any future legislative efforts to develop a more appropriate definition, if any, for "visitor area resort beaches".

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. 2323, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2323, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Herkes, Sagum, Ching and Marumoto.

SCRep. 442-08 Health on H.B. No. 2566

The purpose of this bill is to protect consumers of mental health services by continuing the regulation of mental health counselors. Specifically, this bill repeals the sunset date for the licensing program for mental health counselors in Chapter 453D, Hawaii Revised Statutes.

The Office of the Auditor, Kaiser Permanente, Hawaii Rehabilitation Counseling Association, Alliance for Professional Counselor Licensure, Hawaii Counselors Association, and many 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2566 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 Belatti and Shimabukuro.

SCRep. 443-08 Health on H.B. No. 2301

The purpose of this bill is to protect consumers of dental services by prohibiting:

- (1) Interference in the practice of dentistry by an unlicensed person or entity; and
- (2) The practice of dentistry in a commercial or mercantile establishment.

The Hawaii Dental Association testified in support of this bill. The Board of Dental Examiners opposed this measure.

Your Committee has amended this bill by changing its effective date to January 1, 2050.

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. 2301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2301, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 444-08 Judiciary on H.B. No. 2198

The purpose of this bill is to address the needs of grandparents raising their grandchildren by establishing the Grandparents Raising Grandchildren Task Force (Task Force) to:

- (1) Review recent reports and documents on the issue; and
- (2) Submit reports to the 2009 Legislature.

The Executive Office on Aging, Hawaii Aging Advocates Coalition, Maui County Executive on Aging, and several individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting a defective date of January 1, 2112, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee respectfully requests the Committee on Finance to consider the need for an appropriation and the appropriateness of placing the Task Force within an agency for logistical support.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2198, 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. 2198, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 445-08 Judiciary on H.B. No. 2698

The purpose of this bill is to clarify the rates paid to court-appointed counsel and guardians ad litem by establishing the following rates:

- (1) \$90 an hour for in-court services provided by an attorney licensed to practice law in the state; and
- (2) \$60 an hour for:
 - (A) Out-of-court services provided by an attorney licensed to practice law in the state; and
 - (B) All services provided by a person who is not an attorney licensed to practice law in the state, whether performed in-court or out-of-court.

The Judiciary supported this bill.

Your Committee understands the importance of court-appointed counsel and guardians ad litem in protecting the interests of many members of our society. Your Committee also understands that, despite the current and proposed statutory fee structure based on hourly services, compensation for a large number of cases in our state is based on several fixed-fee contracts for services. Your Committee continues to seek clarification of the statutory basis required, if any, for payment for these services by fixed-amount contract, and also wishes to reconcile the amounts appropriated to the Judiciary based on hourly fees with the aggregate value of such contracts, both in recent years and as proposed for the upcoming fiscal year 2008-2009. Your Committee also requests the Committee on Finance to examine current and proposed payment methods for these important services based on these circumstances.

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. 2698, 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. 2698, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 446-08 Judiciary on H.B. No. 3042

The purpose of this bill is to balance the societal need to prosecute serious criminal cases with the rights of individuals by proposing a constitutional amendment to provide that a witness in a criminal case who asserts self-incrimination privilege may be compelled to testify or provide evidence so long as the testimony or evidence cannot later be used against the witness in a criminal case except for perjury, false statement, or failure to comply with the order to testify.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Hawaii Police Department, Honolulu Police Department, and Maui County Police Department testified in support of this bill. The Office of the Public Defender and American Civil Liberties Union of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the effective date 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. 3042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3042, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 447-08 Judiciary on H.B. No. 2297

The purpose of this bill is to provide better services for Hawaii's residents at the county level by appropriating funds to establish a Blue Ribbon Committee to reorganize the City and County of Honolulu into two counties.

The Office of the Mayor of the City and County of Honolulu opposed this bill. A concerned individual offered comments.

Your Committee has amended this bill by adding a provision allowing the Blue Ribbon Committee, at its discretion, to consider separation of the City and County of Honolulu into three or more counties, provided that the Blue Ribbon Committee uses the same criteria and develops a similar implementation plan as specified in the bill for separation into two counties.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2297, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 448-08 Energy & Environmental Protection on H.B. No. 2922

The purpose of this bill is to lower the fuel tax for diesel oil sold for use in a power-generating facility to a tax rate of one cent per gallon instead of two cents per gallon.

The Kauai Island Utility Cooperative testified in support of this bill. The Department of Transportation opposed this measure. The Department of Taxation offered comments.

Your Committee notes that the fuel tax increase has had a detrimental effect on Kauai ratepayers. As a regulated cooperative, ratepayers are shareholders of the cooperative and would benefit from a lower fuel tax. Your Committee understands that the cost savings resulting from the decrease will be passed on to the ratepayers.

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. 2922 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 449-08 Energy & Environmental Protection on H.B. No. 2211

The purpose of this bill is to provide financial support for wastewater treatment projects and assist in complying with federal requirements imposed by the Environmental Protection Agency by appropriating funds for the Water Pollution Control Revolving Fund (Revolving Fund).

The Public Works Department of the County of Kauai, Hawaii County Council, a member of the Hawaii County Council, Department of Environmental Management of the County of Hawaii, Department of Environmental Services of the City and County of Honolulu, Department of Environmental Management of the County of Maui, Hawaii Building & Construction Trades Council, AFL-CIO, and the Laborer's Union Local 368, supported this bill. The Department of Health (DOH) opposed this measure.

Your Committee finds that funding is desperately needed to replenish the Revolving Fund to provide loan assistance to counties who depend on the Revolving Fund to finance wastewater treatment projects. Currently, statewide, there are approximately \$882,000,000 in proposed projects that need to be financed. A minimum of \$1,000,000 in state funds is needed to draw upon the anticipated \$5,000,000 federal allocation, which amounts to a 20 percent state match. According to DOH testimony, only \$800,000 was requested in the current budget. Your Committee requests the Committee on Finance to review and confirm the \$800,000 amount and act accordingly upon its findings.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2211 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 450-08 Energy & Environmental Protection on H.B. No. 3442

The purpose of this bill is to encourage energy conservation by drawing on renewable energy technologies. This bill appropriates funds for the Hawaii County Economic Opportunity Council (Council) to establish a renewable energy project in Hawaii county to build components for rechargeable and battery-powered automobiles.

The Council testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3442 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 451-08 Energy & Environmental Protection on H.B. No. 2661

The purpose of this bill is to support the development of renewable energy infrastructure in Hawaii by authorizing the issuance of up to \$38,000,000 in special purpose revenue bonds (SPRBs) as seed money to assist Hui Mana 'Oma'o for the establishment of facilities to convert potential renewable energy resources into electrical energy.

Hui Mana 'Oma'o supported this bill. Life of the Land and the Department of Budget and Finance submitted comments.

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

- (1) Clarifying, in the purpose section, the renewable energy activities that Hui Mana 'Oma'o is engaged in;
- (2) Deleting the reference to seed money with respect to the use of the SPRBs issued under this bill;

- (3) Deleting the reference to multi-project programs within the provision authorizing refunding SPRBs; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2661, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sagum.

SCRep. 452-08 Energy & Environmental Protection on H.B. No. 2502

The purpose of this bill is to include a solar energy facility as a permitted use within the agricultural district on land with soil classified as overall (master) productivity rating class D or E by the land study bureau's detailed land classification.

The Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Sopogy, Inc., Castle & Cooke Hawaii, and Dowling Company, Inc., testified in support of this bill. The Department of Agriculture provided comments.

Your Committee finds that lands classified as overall (master) productivity rating class D or E are not necessarily unfit for agricultural use. To protect productive agricultural land, your Committee has amended this bill by further limiting solar energy facilities to land:

- (1) When the total acreage to be used by the solar energy facility is ten acres or one percent of the parcel, whichever is less;
- (2) That is located in the vicinity of an existing electrical transmission and distribution system; and
- (3) That can generate between:
 - (i) Eight and fourteen kWh/m²/day (hours per day when array is providing peak output) based on solar insolation maps on a two-axis tracking flat plate; or
 - (ii) Five and fourteen kWh/m²/day (hours per day when concentrator is providing peak output) based on solar insolation maps on a two-axis tracking concentrator system.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2502, H.D. 1, and be referred to the Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture.

Signed by all members of the Committee except Representative Sagum.

SCRep. 453-08 Transportation on H.B. No. 1980

The purpose of this bill is to require the district court to delete from a licensee's record any reference to a violation that the licensee has been found by the court not to have committed.

The Judiciary did not support this bill.

Currently, traffic abstracts retain records of traffic violations even if the licensee is found by the courts not to have committed the violation. Because this may have a negative impact on the licensee, even when the licensee is not at fault, your Committee finds that this measure merits 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. 1980 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, Sonson and Meyer.

SCRep. 454-08 Transportation on H.B. No. 3197

The purpose of this bill is to make an emergency appropriation of \$21,253,032 in additional State Highway Fund (Fund) moneys for fiscal year 2007-2008 for the Department of Transportation (DOT) to use for the State Highway System.

DOT and the Hawaii Transportation Association testified in support of this measure.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in her Governor's Message No. 243 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

Your Committee finds that by extending the rental vehicle surcharge tax and increasing the fuel tax on gasoline and diesel oil by \$.01 per gallon during the Regular Session of 2007, approximately \$21,200,000 in additional revenues were deposited into the Fund. However, DOT was not authorized to spend these additional revenues. The expenditure of these revenues is necessary to ensure continued maintenance and operation of the State Highway System.

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. 3197 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 and Meyer.

SCRep. 455-08 Consumer Protection & Commerce on H.B. No. 3407

The purpose of this bill is to foster a competitive market in the petroleum industry by repealing the gasoline service station anti-encroachment laws under chapter 486H, Hawaii Revised Statutes (Gasoline Dealers Law).

The Department of Business, Economic Development, and Tourism, Aloha Petroleum, Ltd., Western States Petroleum Association, and several concerned individuals testified in support of this bill.

Currently, service station anti-encroachment laws restrict the ability of oil manufacturers and wholesalers to open stations near dealer-operated stations, or to convert dealer-operated stations. By repealing the anti-encroachment laws, this bill attempts to increase market competition to help lower the price of gasoline.

Your Committee has amended this bill by:

- (1) Restoring the definition of "good faith" in the Gasoline Dealers Law; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3407, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.B. No. 3407, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 456-08 Consumer Protection & Commerce on H.B. No. 3367

The purpose of this bill is to ensure the proper administration of the Wireless Enhanced 911 Fund (Fund) by:

- (1) Making the monthly Wireless Enhanced 911 Surcharge (Surcharge) discretionary rather than mandatory;
- (2) Reducing the Surcharge, from 66 cents to 43 cents;
- (3) Provide that reimbursements from the Fund for certain costs are to supplement, but not supplant, funds regularly appropriated for those purposes;
- (4) Requiring the Wireless Enhanced 911 Board's (Board) annual report to the Legislature to:
 - (A) Be submitted at least twenty days prior to the convening of each regular session;
 - (B) Specify the level of surcharge necessary to fund the Board's expenses and planned expenditures; and
 - (C) Propose to refund surplus surcharge funds;

and

- (5) Requiring the Auditor to conduct a financial and management audit of the Fund.

The Honolulu Police Department testified in support of this bill with amendments. The Department of Accounting and General Services opposed this measure.

Your Committee has amended this bill by deleting its contents, except for the provision requiring the Auditor to conduct a financial and management audit of the Fund.

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. 3367, 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. 3367, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson. (Representative Marumoto voted no.)

SCRep. 457-08 Health on H.B. No. 3109

The purpose of this measure is to include the sale of non-corrective contact lenses as part of the licensed occupation of a dispensing optician.

Your Committee received testimony in support of this measure from three different entities within the Department of Commerce and Consumer Affairs: the Regulated Industries Complaints Office, the Board of Examiners in Optometry, and the Dispensing Opticians Program in the Professional and Vocational Licensing Division.

Your Committee finds that the federal Food, Drug and Cosmetic Act now classifies all contact lens, including non-correction, colored, and decorative lenses, as ophthalmic medical devices that require a prescription in order to be dispensed or sold. Your Committee further finds that this measure will likewise prohibit the sale of decorative, non-corrective contact lenses by persons who are not licensed as dispensing opticians.

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. 3109 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. 458-08 Health on H.B. No. 2139

The purpose of this bill is to revise and update the process for organ donations for transplantation.

Specifically, this measure:

- (1) Directs the process for making anatomical gifts of a deceased person's body for the purposes of transplantation, therapy, research, or education;
- (2) Stipulates the manner by which such gifts can be made;
- (3) Establishes a priority list of persons who are reasonably available who may make an anatomical gift of a deceased person's body or part;
- (4) Limits the liability of persons who act on good faith in making the decision that a deceased person meant to make an anatomical gift; and
- (5) Prohibits falsification of records or fraudulent actions by a person trying to make a profit from anatomical gifts.

The Organ Donor Center of Hawaii and Commission to Promote Uniform Legislation supported this bill.

Your Committee has amended this bill by:

- (1) Requiring the medical examiner or coroner or designee to make a reasonable attempt to conduct a post-mortem examination of a body or a part in a manner and within a period compatible with its preservation for the purposes of a gift when a medical examiner or coroner has received notice from a procurement organization that an anatomical gift might be available or was made with respect to a decedent whose body is under the jurisdiction of the medical examiner or coroner; 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. 2139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2139, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 459-08 Health on H.B. No. 2888

The purpose of this bill is to appropriate funds for a mobile medical van to serve South Kona, Kau, and upper Puna on the island of Hawaii.

Specifically, this bill appropriates \$500,000 for the purchase of a mobile medical van, including necessary planning and equipment to provide medical care services to be expended by Kona Community Hospital; provided that no funds shall be expended until an agreement has been established with an appropriate funding agency to provide additional funding to continue the mobile medical van program for at least two more years.

Your Committee received testimony in support of the bill from Kona Community Hospital.

Upon further consideration, your Committee has amended this bill by incorporating the contents of the following bills as parts I and II, and parts IV through VII:

- (1) Part I: House Bill No. 2789 (2008), part I, and House Bill No. 2382 (2008): appropriating \$1 for twenty-four-hour advanced life support ambulance service for the Haiku district on the island of Maui;
- (2) Part II: House Bill No. 2789 (2008), part II: appropriating an unspecified amount for twenty-four-hour advanced life support ambulance service for the island of Molokai;
- (3) Part IV: House Bill No. 2924 (2008): appropriating \$2,500,000 for the Waianae Coast Comprehensive Health Center for plans, design, and construction for phase II of an expansion and renovation of the Center's facilities;
- (4) Part V: House Bill No. 3274 (2008): appropriating \$450,000 for outpatient urgent and extended emergency medical care in West Maui;
- (5) Part VI: House Bill No. 3347 (2008): appropriating \$10,000,000 to The Queen's Medical Center to increase its emergency power generator system to ensure continued operation of its hospital and trauma center in event of a disaster; and
- (6) Part VII: House Bill No. 2542 (2008): appropriating an unspecified amount for the first year of a three-year family practice residency program based at Kona Community Hospital.

Your Committee has further amended this bill by changing the amount appropriated to an unspecified amount in part VII (House Bill No. 2542 (2008)) and by changing the expending agency from Kona Community Hospital to the Hawaii Health Systems Corporation in part III (House Bill No. 2888 (2008)).

Your Committee wishes to recognize that more than five hundred signatures were submitted in support of House Bill No. 2789 (2008) appropriating funds for ambulance services on the island of Molokai, now incorporated as part II of this amended 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. 2888, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2888, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 460-08 Health on H.B. No. 2171

The purpose of this bill is to stimulate the development of long-term care facilities by establishing a long-term care facility construction and improvement tax credit in Hawaii.

The Hawaii Long Term Care Association supported this bill. The Hawaii Centers for Independent Living opposed this measure. The Tax Foundation of Hawaii and the Policy Advisory Board for Elder Affairs provided comments on 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. 2171, 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 Belatti and Shimabukuro.

SCRep. 461-08 Health on H.B. No. 2063

The purpose of this bill is to improve survival rates of heart attack victims by requiring the Department of Health (DOH) to establish a two-year pilot project on Oahu to equip paramedics to transmit electrocardiogram data in the field or in ambulances directly to a hospital's emergency room or to a cardiologist prior to a cardiac patient's arrival at an emergency room.

Several concerned individuals supported this bill. The Honolulu Emergency Services Department opposed this measure. DOH submitted comments.

Your Committee has amended this bill by replacing its contents with provisions creating the wireless electrocardiogram project task force to review the City and County of Honolulu's (CCHNL) Wireless Electrocardiogram Project and data on costs, implementation, required staff, and other information currently gathered by the CCHNL's Emergency Medical Services Department and DOH to evaluate the project's potential for expansion and improvement.

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. 2063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2063, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 462-08 Health on H.B. No. 2759

The purpose of this bill is to ensure the strength of Hawaii's health care safety net by extending the general excise tax (GET) exemption for nonprofit hospitals, infirmaries, and sanitarium to for-profit hospitals, infirmaries, and sanitarium and by making conforming amendments.

The Hawaii Medical Center and several concerned individuals supported this bill. The Department of Taxation submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that for-profit hospitals that provide services to an annual patient population consisting of 60 percent or more uninsured, Medicaid and Medicare patients will receive the GET exemption; 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. 2759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2759, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 463-08 Health on H.B. No. 3326

The purpose of this bill is to streamline the certificate of need (CON) process and give more decision-making power to regions in the CON process by establishing regional councils in place of subarea councils, the statewide council, and the CON review panel.

The Maui County Health Initiative Task Force and several concerned individuals supported this bill. The Department of Health supported the intent of this measure. The Healthcare Association of Hawaii and Liberty Dialysis-Hawaii Region opposed this bill.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3326, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3326, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 464-08 Health on H.B. No. 3413

The purpose of this measure is to make an appropriation for Hana Health.

Specifically, this measure would appropriate \$5,000,000, to be expended by the Department of Health, for the following expenditures for Hana Health:

- (1) \$1,750,000 for the construction and equipment installation of a commercial kitchen;
- (2) \$2,500,000 for the design and construction of independent senior housing, including home-based dialysis, adult day care, and respite services; and
- (3) \$750,000 for the upgrade and expansion design documents of the medical facility.

Your Committee received testimony in support of this measure from Hana Health and nearly one hundred concerned individuals.

Your Committee finds that Hana Health is the only full-service health provider in an area of the State that is in relative isolation and consistently has among the worst health and socioeconomic indicators in the State. Your Committee further finds that Hana Health is an aging facility that is in urgent need of repair and upgrade to continue to meet the growing needs of the community and visitors to the area. In addition to repairs and maintenance for the existing facilities, Hana Health is also in need of a new nutrition center and an independent senior housing facility that includes dialysis facilities, adult day care, and respite services. Accordingly, your Committee believes that an appropriation is necessary to allow Hana Health to continue its current level of operations and to further develop its capacity to meet the ongoing needs of the community.

Upon further consideration, your Committee has amended this measure by replacing the amounts appropriated with unspecified amounts to facilitate further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3413, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3413, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 465-08 Health on H.B. No. 2298

The purpose of this bill is to prevent dentists from falsely claiming to be a specialist without having had proper training and certification by authorizing the Board of Dental Examiners (BDE) to sanction licensees for false or misleading advertising.

The Hawaii Dental Association supported this bill. BDE opposed this measure.

Your committee has amended this bill by:

- (1) Inserting a savings clause; and
- (2) Changing its effective date to January 1, 2050, 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 H.B. No. 2298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2298, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 466-08 Health on H.B. No. 3332

The purpose of this bill is to update Hawaii's statutes in regard to food safety by providing that a meat or a meat product is adulterated if it is treated with gas or other technology for the sole purpose of enhancing color.

The Hawaii Teamsters and Allied Workers, Local 996 supported this bill. The Department of Agriculture supported the intent of this measure. The National Meat Association (NMA) submitted comments.

Your Committee received testimony from NMA stating concerns that the amendments to the Hawaii Meat Inspection Act in this bill would be preempted by Section 408 of the Federal Meat Inspection Act, Title 21, United States Code, Chapter 12, Section 678. Therefore, your Committee on Commerce and Consumer Protection is respectfully requested to look further into this matter.

Your Committee has amended this bill by changing its effective date to January 1, 2050, 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 H.B. No. 3332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3332, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Shimabukuro. (Representative Tokioka voted no.)

SCRep. 467-08 Health on H.B. No. 2173

The purpose of this bill is to improve the ability of health care providers to provide appropriate care for patients in the State mental health system by authorizing the disclosure of mental health certificates, applications, records, and reports made by a person's health care provider within that system, to another health care provider.

The Department of Health, Department of Public Safety, Hawaii Primary Care Association, Hawaii Psychiatric Medical Association, Kaiser Permanente Hawaii, The Queen's Medical Center, and Healthcare Association of Hawaii supported this bill.

Your Committee has amended this bill by changing its effective date to January 1, 2050, 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 H.B. No. 2173, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2173, H.D. 2, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 468-08 Health on H.B. No. 2776

The purpose of this bill is to prevent improper prescribing of pharmaceutical controlled substances by prohibiting pre-signed and predated prescriptions.

The Department of Public Safety (DPS), Hawaii Pharmacists Association, Kaiser Permanente, and Longs Drugs Stores testified in support of this bill. The Walgreen Company 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 style, clarity, and consistency.

Your Committee acknowledges the comments by DPS that the provisions in this bill would provide DPS with greater flexibility to make corrections that are necessary to prevent the improper prescribing of pharmaceutical controlled substances in 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 is in accord with the intent and purpose of H.B. No. 2776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2776, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Bertram.

SCRep. 469-08 Health on H.B. No. 2675

The purpose of this bill is to enable qualifying patients to continue their medication by authorizing the use of a written certification or its equivalent issued by another state government to permit the medical use of marijuana by a qualifying patient when traveling to Hawaii.

The Drug Policy Forum and several concerned individuals supported this bill. The Department of Public Safety, the Police Department of the City and County of Honolulu, the Police Department of the County of Maui, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, and Hawaii Medical Association opposed this measure.

Your Committee has amended this bill by replacing its contents with provisions that:

- (1) Increases the number of plants a qualifying patient can possess from seven to 14;
- (2) Removes designations of mature and immature plants a qualifying patient is authorized to have;
- (3) Creates the Medical Marijuana Task Force (Task Force) to:
 - (A) Study the feasibility of safe growing facilities on each of the Hawaiian islands; and
 - (B) Seek possible solutions to challenges faced by qualified patients with written certification when faced with inter-island travel and the provisions of current statutory material, including federal law that prohibit travel with medical marijuana.
- (4) Requires that the Task Force report their findings to the Legislature prior to the 2009 Regular Session; and
- (5) Makes technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2675, H.D. 1, and be referred to the Committees on Public Safety & Military Affairs and Judiciary.

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

SCRep. 470-08 Economic Development & Business Concerns on H.B. No. 3163

The purpose of this bill is to increase the efficiency of the Disability Compensation Division of the Department of Labor and Industrial Relations by appropriating an unspecified amount from the Special Fund for Disability Benefits to allow forms, reports, and other documents of the workers' compensation, temporary disability insurance, and prepaid health care programs to be submitted over the Internet and stored and retrieved in electronic form.

The Department of Labor and Industrial Relations testified in support 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. 3163, 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. 471-08 Economic Development & Business Concerns on H.B. No. 2952

The purpose of this bill is to improve the U-drive services available to tourists and residents at Hawaii's airports by giving the Department of Transportation authority to establish and collect a car rental customer facility surcharge, to be used exclusively for the development of car rental customer shuttle systems and facilities at state airports.

Catala-Hawaii, Dollar Thrifty Automotive Group, and the Hertz Corporation supported this measure. Enterprise Rent-A-Car, National Car Rental, and Alamo Rent-A-Car opposed this bill. The Hawaii Insurers Council offered comments.

Your Committee recognizes that having a consolidated rental car facility located within an airport would benefit both consumers and rental companies alike. However, your Committee also recognizes the inherent unfairness of having Neighbor Island and community car rental companies collect a surcharge that will support a facility at the Honolulu International Airport.

To encourage further discussion and resolution of these, and other issues, your Committee has amended this bill by changing 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 H.B. No. 2952, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2952, H.D. 1.

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

SCRep. 472-08 Economic Development & Business Concerns on H.B. No. 2094

The purpose of this bill is to increase fairness and transparency in the solicitation and expenditure of funds by the State, by requiring that private funds solicited by a government body to cover the costs of a state-sponsored trip or other endeavor to generate business opportunities and goodwill shall be deposited into the general fund and disbursed by legislative appropriation.

Your Committee received testimony in opposition from the Department of Accounting and General Services, the Department of Business, Economic Development, and Tourism, and the High Technology Development Corporation.

Testimony indicates that the appropriation process in this bill may deter potential contributors, and the \$50,000 this bill appropriates to replace solicited private funds may be insufficient and negatively affect state-sponsored trade missions. However, your Committee also recognizes that there must be some oversight over the solicitation of funds for these trips. A balance needs to be struck between fairness and transparency in State procurement activities and the effectiveness of the State's trade missions.

Your Committee respectfully requests that the Committee on Finance to which this bill is next referred, confer with the Department of Business, Economic Development, and Tourism to determine an appropriate amount to be appropriated.

Your Committee has amended this bill by changing its 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. 2094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2094, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 473-08 Transportation on H.B. No. 96

The purpose of this bill is to promote the safe operation of commercial vehicles by:

- (1) Requiring commercial drivers, while operating a commercial motor vehicle, to possess proof of their most recent alcohol and controlled substance test taken;
- (2) Requiring commercial drivers to present such proof of testing at the time of inspection at weight stations; and
- (3) Disqualifying violators of these new provisions from driving commercial motor vehicles for an unspecified period of time, depending on the number of violations.

The Department of Transportation (DOT) and Hawaii Transportation Association (HTA) testified in opposition to this bill. The Department of Customer Services of the City and County of Honolulu (DCS) commented on this measure.

Commercial drivers often operate large vehicles on Hawaii's highways and roads. The operation of these vehicles safely is important in protecting the public. Requiring drivers of commercial motor vehicles to carry proof of their most recent alcohol and drug test, along with providing penalties for violating this provision will promote safety on Hawaii's roads.

However, your Committee notes the concerns raised by DOT, HTA, and DCS regarding federal regulations applicable to random drug testing and enforcement of the provisions of this bill. Your Committee on Transportation respectfully requests the Committee on Judiciary, in considering further action on this bill, to review these legal issues 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 H.B. No. 96, H.D. 2, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Meyer and Pine.

SCRep. 474-08 Transportation on H.B. No. 2330

The purpose of this bill is to promote the use of electric vehicles by:

- (1) Providing incentives to use electric vehicles including exempting electric vehicles, other than neighborhood electric vehicles, from parking fees, high occupancy vehicle lane restrictions and other traffic control measures, and motor vehicle registration and licensing fees;

- (2) Requiring these incentives to be reviewed every five years by the Department of Transportation (DOT); and
- (3) Requiring DOT to submit a report to the Legislature every five years on the effectiveness of these incentives beginning with the Regular Session of 2013.

DOT, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this bill. The High Technology Development Corporation supported the intent of this measure. The Department of Customer Services of the City and County of Honolulu (DCS) commented on this measure.

With increasing oil prices and environmental concerns regarding global warming, the use of electric vehicles has been offered as a way to protect Hawaii's environment and reduce the state's dependency on imported oil. While the use of these vehicles has experienced some growth, adding incentives for their use may encourage consumers to choose electric vehicles.

While your Committee notes the importance of energy conservation and environmental protection, exempting all electric vehicles from registration fees may have adverse impacts on the state highway fund. Your Committee also notes that several concerns regarding the implementation of this measure were raised by both DOT and DCS. Accordingly, your Committee has amended this bill by:

- (1) Requiring DOT to only establish and adopt rules pursuant to the registration of an electric vehicle in this state, as needed, since registration of these vehicles is currently being done by the counties;
- (2) Specifying that the director of finance of the county in which the electric vehicle is to be operated, rather than DOT, shall establish and issue license plates to designate the vehicle to which the license plate is attached is electric;
- (3) Removing the provision excluding "neighborhood electric vehicles" from the provisions of this measure;
- (4) Specifying that the motor vehicle registration fee exemption shall only apply to neighborhood electric vehicles;
- (5) Clarifying that the exemption from motor vehicle registration fees for neighborhood electric vehicles is an exemption from all taxes and fees for neighborhood electric vehicles, if any; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2330, 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. 2330, H.D. 2.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Meyer and Pine.

SCRep. 475-08 Transportation on H.B. No. 509

The purpose of this bill is to protect consumers from the imposition of "unhooking" fees if the owner of a vehicle targeted for towing appears on the scene before the vehicle has been moved by the tow truck.

A concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs commented on this measure.

Although current law prohibits towing companies from charging what is known as an "unhooking fee" if the owner of the vehicle being hooked-up to the tow truck appears on the scene prior to the vehicle being moved by the tow truck, your Committee has been made aware that some confusion over this language may exist among tow companies. A consumer reported that some tow companies move a vehicle while partially hooked up and then complete the hook-up after the vehicle has been moved. Thus, even though the vehicle's owner arrives on the scene before the vehicle is towed away, the towing company is charging for the unhooking of the vehicle because it has been technically "moved."

To avoid this confusion, Your Committee has amended this bill by clarifying that as long as the vehicle's owner arrives on the scene while the vehicle is in the process of being hooked up, or is already hooked up, the towing company should not charge an unhooking fee, regardless of whether the car has been moved.

Other technical, nonsubstantive amendments were 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. 509, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 509, H.D. 2, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Meyer and Pine.

SCRep. 476-08 Legislative Management on H.B. No. 1982

The purpose of this bill is to improve customer service at state agencies by requiring the Office of the Ombudsman (Ombudsman) to develop and implement a pilot program to investigate customer service at the Hawaii Public Housing Authority (HPHA). This bill appropriates an unspecified sum for this pilot program.

HPHA and an individual testified in support of this bill. The Ombudsman 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. 1982, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 477-08 Legislative Management on H.B. No. 2007

The purpose of this bill is to improve prison operations by requiring the Office of the Auditor to conduct:

- (1) Performance audits of each private prison on the mainland that houses Hawaii inmates with regard to the issues of treatment and delivery of services, visitation, and the Department of Public Safety's (DPS) monitoring of contract provisions; and
- (2) A financial and management audit of DPS's commissary operations at state correctional facilities, as well as out-of-state contracted correctional facilities where Hawaii inmates are housed.

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several individuals testified in support of this bill. DPS 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 is in accord with the intent and purpose of H.B. No. 2007, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 478-08 Legislative Management on H.B. No. 2267

The purpose of this bill is to ensure fairness, competition, transparency, and public confidence in the Hawaii Public Procurement Code by incorporating meaningful protest procedures.

This bill:

- (1) Transfers to the Office of the Ombudsman (Ombudsman) the responsibilities of the Office of Administrative Hearings under the Department of Commerce and Consumer Affairs (DCCA) to review procurement determinations;
- (2) Prohibits the Chief Procurement Officer from delegating authority to resolve protested awards; and
- (3) Allows parties to recover attorney's fees if their protests are sustained.

The Hawaii Procurement Institute testified in support of this bill. The Department of Accounting and General Services supported the intent of this measure. The Ombudsman could not support the bill in part. The State Procurement Office and the County of Hawaii Office of the Corporation Counsel opposed 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. 2267, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 479-08 Legislative Management on H.B. No. 2280

The purpose of this bill is to help lower-income families achieve greater financial independence and well-being by establishing the Statewide Task Force on Public Financial Education and Asset Building to develop policy recommendations relating to:

- (1) Universal, matched savings accounts for newborns;
- (2) Standards for financial and economic education; and
- (3) Elimination of asset limits as a bar to eligibility for public benefit programs.

The Hawaii Alliance for Community-Based Economic Development testified in support of this bill. The Department of Human Services supported the intent of this measure. The Department of Budget and Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2280 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 480-08 Legislative Management on H.B. No. 2506

The purpose of this measure is to require the Legislative Reference Bureau to conduct a study on key state agencies responsible for the State's long-term energy policies.

Specifically, the Bureau is required to:

- (1) Review the State's long-term energy strategy;
- (2) Research the statutory responsibilities of key state agencies and how they relate to the State's energy objectives;
- (3) Identify any duplication of effort or deficiency with respect to the energy policies charged to these state agencies;
- (4) Research how other states address similar deficiencies in the administration of energy policies; and
- (5) Recommend state agency reorganizational strategies to improve the State's long-term energy policies.

Your Committee received testimony in favor of the measure from the Hawaii Renewable Energy Alliance. Your Committee received testimony in opposition to the measure from the Department of Business, Economic Development, and Tourism and the Department of Land and Natural Resources. Your Committee received comments on the measure from the Department of Agriculture. The Legislative Reference Bureau also submitted comments but took no position on the measure.

Your Committee finds that the advancement of a comprehensive long-term state energy strategy depends on effectively coordinating the duties and responsibilities of key state agencies. This measure will identify and evaluate the duties and responsibilities of these state agencies to realize maximum efficiencies through agency coordination and cost savings.

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. 2506, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 481-08 Legislative Management on H.B. No. 2510

The purpose of this measure is to appropriate funds to the Legislative Reference Bureau to enter into a contract with the University of Hawaii to conduct a study on the State's environmental review process and system.

Additionally, this measure requires the contract to be through the Research Corporation of the University of Hawaii, and also requires the Research Corporation to assemble an interdisciplinary team of university members from the Department of Urban and Regional Planning, the Environmental Center, and the Environmental Law Program at the William S. Richardson School of Law.

Your Committee received testimony in support of the measure from the Office of Hawaiian Affairs, the Environmental Center of the University of Hawaii, the Nature Conservancy of Hawaii, the Building Industry Association of Hawaii, the Chamber of Commerce of Hawaii, the Director of the University of Hawaii Environmental Law Program, and a concerned citizen. Testimony in opposition was received from the Office of Environmental Quality Control of the Department of Health. Comments on the measure were received from the Legislative Reference Bureau.

Your Committee finds that the study required under this measure expands upon the scope of a study that was previously mandated by the Legislature in 2006 but which was not completed due to a lapse in the appropriation to the Department of Health. Your Committee further finds that the recent judicial and legislative events surrounding the Superferry affair underscore the pressing need to resume the study, but this time with a broader focus.

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. 2510, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 482-08 Legislative Management on H.B. No. 3428

The purpose of this measure is to require the Department of Accounting and General Services to develop a plan to have all signs in the State Capitol be in both English and Hawaiian.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that having the State Capitol signs in both English and Hawaiian will assist in preserving and promoting the Hawaiian language and culture.

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. 3428, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 483-08 Legislative Management on H.B. No. 3352

The purpose of this bill is to require the Auditor to conduct a financial and management audit of the Hawaii Disability Rights Center.

Specifically, the audit is to include the Center's approach to resolving the conflict between a patient's right to privacy and the Center's need for access to the patient's records. In addition, the bill appropriates funds for the Auditor to conduct the required audit. The bill takes effect on January 1, 2010.

Your Committee received testimony in support of this bill from the Hawaii Down Syndrome Congress and six individuals. Testimony in opposition was received from the Hawaii Disability Rights Center, Hawaii Centers for Independent Living, and four individuals.

Upon further consideration, your Committee has amended this bill by correcting the name of the Center as the Hawaii Disability (rather than "Disabilities") Rights Center consistently throughout the 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. 3352, 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. 3352, H.D. 2.

Signed by all members of the Committee.

SCRep. 484-08 Transportation on H.B. No. 2263

The purpose of this bill is to limit noise emanating from state harbors by allowing the Director of Transportation (DOT) to adopt rules regulating harbor noise.

DOT, Downtown Neighborhood Board, and several concerned individuals testified in support of this bill.

Noise is often considered to be an environmental pollutant. As working harbors, many of Hawaii's harbors often produce large amounts of noise. While DOT currently has the authority to promulgate rules for harbors under their jurisdiction, this authority may not be specific enough to allow DOT to adopt rules that regulate noise. Your Committee finds that granting DOT this authority will help alleviate the concerns of individuals affected by the noise from Hawaii's harbors.

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. 2263 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, Nakasone, Sonson, Meyer and Pine.

SCRep. 485-08 Transportation on H.B. No. 3228

The purpose of this bill is to allow the counties to remove abandoned motor vehicles from private roads.

Several concerned individuals testified in support of this bill. The City and County of Honolulu and Honolulu Police Department opposed this measure.

Your Committee recognizes the problems experienced by some owners of private roads in dealing with abandoned vehicles on their roads. Your Committee also understands that the City and County of Honolulu is currently working with these owners to resolve the problems, and discussions must continue in this regard.

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. 3228 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, Nakasone, Sonson, Meyer and Pine.

SCRep. 486-08 Transportation on H.B. No. 3269

The purpose of this bill is to provide assistance to the counties in the timely removal of abandoned vehicles by requiring the mayor of each county to:

- (1) Provide an analysis to the Legislature of the respective county's needs for the storage of abandoned vehicles including estimates of:
 - (A) The current square footage of space available, and a projected square footage of space needed, for the storage of abandoned vehicles; and
 - (B) The costs of acquiring, leasing, or renting additional space for the storage of abandoned vehicles;

and

- (2) Report their findings and recommendations, including any necessary proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2009.

A concerned individual testified in support of this bill.

Abandoned and derelict motor vehicles mar the beauty of Hawaii's landscape and, at times, create unsafe situations on our roadways. While the counties have worked diligently to remove these vehicles in a timely manner, a lack of storage space for these cars due to increases in the number of abandoned vehicles has hindered their progress. Accounting of the storage needs of the counties by each mayor may allow the Legislature to assist the counties with their storage needs.

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. 3269 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, Nakasone, Sonson, Meyer and Pine.

SCRep. 487-08 Transportation on H.B. No. 1972

The purpose of this bill is to protect the health and safety of the general public and to help alleviate traffic congestion by appropriating funds for the Department of Transportation (DOT) to establish and operate a county-wide highway traffic advisory radio system to advise motorists of updated current traffic conditions, in counties that have a population greater than 300,000.

DOT testified in support of the intent 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. 1972 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, Nakasone, Sonson, Meyer and Pine.

SCRep. 488-08 Transportation on H.B. No. 2250

The purpose of this bill is to protect the air transportation needs of the people of Hawaii, as well as visitors to Hawaii, by:

- (1) Establishing a statutory scheme for the regulation of inter-island air carriers in Hawaii by an Air Carrier Commission; and
- (2) Providing that this enabling legislation will not take effect until such time that the United States Congress enacts enabling legislation to permit state regulation of inter-island air carriers.

The federal Airline Deregulation Act of 1978 prohibits states from regulating the routes, rates, or services of airlines operating in interstate commerce. Federal statutes make clear that air travel between islands within Hawaii is considered interstate travel, and therefore the State cannot regulate its inter-island carriers.

As an island state, Hawaii's airways serve as our state's "highways." Most of the state's residents, as well as visitors to Hawaii, must rely on inter-island air carriers to travel between islands. Additionally, the shipment of perishable goods and other items of daily importance are shipped via air cargo.

Proposals to allow Hawaii to regulate inter-island air carriers are not new. Act 332 was enacted in 1993 to give the State some measure of control over inter-island air travel. However, Act 332 could not be implemented without federal enabling legislation to exempt Hawaiian inter-island air travel from the federal Airline Deregulation Act of 1978.

As a geographically unique state, inter-island air carriers are vital to the health, welfare, and safety of the people of Hawaii. It makes no sense to classify inter-island air travel as interstate travel. As such, your Committee finds that the State of Hawaii should have the authority to regulate inter-island air travel and that this matter 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. 2250 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 and Meyer.

SCRep. 489-08 Transportation on H.B. No. 2951

The purpose of this bill is to minimize traffic congestion and enhance long range transportation planning by requiring the Department of Transportation (DOT) to implement a statewide traffic congestion reduction plan that includes, among other things:

- (1) A traffic flow improvement plan;
- (2) An infrastructure maintenance and improvement program;

- (3) A safety enhancement program;
- (4) A transportation emergency preparedness plan; and
- (5) Provisions for cooperative partnerships with academia in the development of a transportation research center and transportation programs that integrate engineering education with congestion mitigation and safety improvements.

The Hawaii Highway Users Alliance, City Taxi of Honolulu, Charley's Taxi, Catrala-Hawaii, and Royal Star Hawaii Transit testified in support of this bill. DOT opposed this measure.

Currently, DOT addresses maintenance, congestion, and safety needs of the state highway system through priorities established in short-range, mid-range, and long-range plans. Due to the decreasing availability of highway funding, the importance of proper planning is even greater. Your Committee finds that this measure will help to ensure that the needs of Hawaii's motorists are met with efficiency and accountability.

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. 2951 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, Nakasone, Sonson, Meyer and Pine.

SCRep. 490-08 Transportation on H.B. No. 3004

The purpose of this bill is to assist in alleviating traffic congestion by increasing the carrying capacity of the State's highways by requiring the Department of Transportation (DOT) to identify all existing and any possible rights-of-way within each county that could facilitate the construction of highway lane miles.

Charley's Taxi, the Hawaii Highway Users Alliance, and two concerned individuals testified in support of this bill. DOT opposed this measure.

Traffic congestion has often been cited as a major concern for motorists throughout the state. While Hawaii's finite space requires alternative modes of transportation to be examined, the identification of all existing and any possible rights-of-way within each county may facilitate the building of additional highway lane miles to help alleviate traffic congestion throughout the state.

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. 3004 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, Nakasone, Sonson, Meyer and Pine.

SCRep. 491-08 Transportation on H.B. No. 2004

The purpose of this bill is to reduce our dependence on fossil fuels for transportation by appropriating funds for the Hawaii Energy Policy Forum (Policy Forum) to continue its study with the Energy-efficient Transportation Strategies Working Group (Working Group) resulting from Act 254, Session Laws of Hawaii 2007 (Act 254), to develop energy-efficient transportation strategies.

The Policy Forum, Hawaiian Electric Company, Inc. (and its subsidiaries Maui Electric Company, Ltd. and Hawaii Electric Light Company, Inc.), and Alliance of Automobile Manufacturers testified in support of this bill. The High Technology Development Corporation supported the intent of this measure.

Various modes of transportation, including motor vehicles, ocean vessels, and airplanes, are responsible for an inordinate amount of fuel consumption. In 2007, the Legislature passed House Bill No. 869, enacted as Act 254, to encourage energy self-sufficiency in Hawaii by reducing its dependence on imported oil. Act 254 appropriated funds to the Policy Forum to support its proposed study on energy-efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism.

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. 2004, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Meyer and Pine.

SCRep. 492-08 Transportation on H.B. No. 3033

The purpose of this bill is to enhance the ability of the Department of Agriculture (DOA) to prevent the importation of pests into the state by, among other things:

- (1) Requiring shippers and transporters to provide advance written notification of arrival of articles transported into the state, or from one island of the state to another, as freight, air freight, baggage, or otherwise, for the purpose of debarkation or entry, or as ship's stores;

- (2) Allowing a DOA inspector to order the quarantine of, or hold for examination, any freight, air freight, or baggage, transported for the purpose of debarkation or entry, or as ship's stores, when any person fails to comply with any of the notification requirements; and
- (3) Expanding the range of articles subject to advance notification and possible inspection to include non-agricultural articles capable of harboring pests.

The Department of Land and Natural Resources, DOA, Hawaii Agriculture Research Center, Maui County Farm Bureau, The Nature Conservancy of Hawaii, and Horizon Lines, LLC, testified in support of this bill. Young Brothers, Limited, Dole Food Company Hawaii, and Airlines Committee of Hawaii supported the intent of this measure. The Air Cargo Association of Hawaii offered comments.

Your Committee recognizes the importance of such agricultural inspections but understands the complexity of the issue at hand. Your Committee notes that DOA is working with stakeholders to develop rules to protect the environment from invasive species.

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. 3033 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Meyer and Pine.

SCRep. 493-08 Labor & Public Employment on H.B. No. 2311

The purpose of this bill is to protect public health while also protecting the rights of employees by prohibiting an employer from taking any adverse action against an employee for complying with a quarantine order issued by the Department of Health (DOH).

The Department of Labor and Industrial Relations and Hawaii Government Employees Association testified in support of this bill.

As markets are becoming more global and traveling around the world has become easier, the threat of spreading infectious diseases has grown. Since quarantines have been found to be effective in hindering the spread of infectious diseases, recent outbreaks of highly infectious diseases have required quarantines to be put in place in countries around the world. As additional diseases requiring containment are expected to arise, it is not beyond possibility that quarantines will be put in place in Hawaii. If this becomes necessary, employees who comply with a quarantine order issued by DOH should not have to fear losing their positions or wages, or being disciplined in any way for their actions.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2311 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 494-08 Labor & Public Employment on H.B. No. 2911

The purpose of this bill is to protect the rights of innovative employees by invalidating any provision in an employment agreement that requires employees to assign their rights to an invention to the employer when the employees develop the invention entirely on their own time and with their own materials.

An individual testified in support of this bill.

It is generally understood that employees who develop and patent an invention that was conceived and perfected during their hours of employment or with the use of an employer's materials must give the employer a license to use their invention. However, some employers require employees to sign over their rights to any invention created during their period of employment with that particular employer, regardless of when the invention was created. Your Committee finds that inventions created entirely outside of the scope of an employee's employment should not fall under this category.

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. 2911 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 495-08 Labor & Public Employment on H.B. No. 2753

The purpose of this bill is to fund:

- (1) All collective bargaining 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 (HSTA) and several teachers testified in support of this bill. The Department of Education (DOE) opposed this measure. The Department of Budget and Finance (B&F) and Office of Collective Bargaining (OCB) commented on this bill.

Though Act 132, Session Laws of Hawaii 2007 (Act 132), appropriated \$43.9 million for fiscal year 2008 and \$75.5 million for fiscal year 2009 for collective bargaining cost items for bargaining unit (5), HSTA stated that additional funding is necessary to pay for an annual incremental step movement negotiated in their contract with the State.

While your Committee understands that DOE, B&F, and OCB all noted that it is their belief that all negotiated cost items were already addressed by Act 132, your Committee finds that this measure should proceed for further discussion.

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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2753 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 496-08 Labor & Public Employment on H.B. No. 2927

The purpose of this bill is to strengthen enforcement of Hawaii's Public Works Law by requiring the Director of the Department of Labor and Industrial Relations (DLIR) to immediately suspend any contractor who interferes with or delays an investigation or falsifies payroll records from working on any public works project for three years.

DLIR, the Hawaii Building and Trades Council, AFL-CIO, Building Industry Association of Hawaii, Associated Builders and Contractors, Hawaii, Hidano Construction, Inc., Koga Engineering and Construction, Inc., Laborers' Union Local 368, and Pacific Resources Partnership testified in support of this bill.

Currently, employees who work on public works projects are required to be compensated in accordance with the Federal Davis-Bacon Act or Hawaii's Public Works Law (also known as the Little Davis Bacon Act). These pieces of legislation were intended to provide a level playing field to bidders on public projects by requiring all bidders to provide the appropriate wages and benefits.

Under current law, a contractor found to be in violation of Hawaii's Public Works Law is considered to have committed only one violation of the law, although multiple violations may be occurring or recurring simultaneously on multiple public works 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 by requiring the Director of DLIR to suspend a contractor who delays or interferes with investigations conducted under Hawaii's Public Works Law or falsifies payroll records from working on any public work for three years will deter these actions and allow for better enforcement of Hawaii's Public Works Law.

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. 2927 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 497-08 Labor & Public Employment on H.B. No. 2348

The purpose of this bill is to amend Hawaii's tax law to impose the State income tax on rollovers made by state and county employees from qualifying deferred compensation plans to eligible state or county retirement plans.

The Hawaii Government Employees Association testified in opposition to this bill. The Department of Taxation, Employees Retirement System (ERS), and the Tax Foundation of Hawaii commented on this measure.

Currently, employees who roll over or transfer contributions from their deferred compensation plans to purchase ERS membership service credits or to upgrade their Noncontributory Plan service to Hybrid Plan service in the future are not assessed an income tax on these funds. When these funds are distributed in the form of employee retirement benefits, they also will not be taxed.

In as much as funds from deferred compensation plans would normally be taxed when an employee withdraws these funds since these funds were withheld from an employee's pre-tax wages, taxing the rolled over or transferred funds at the time it is rolled over or transferred would appear to be equitable and fair.

However, your Committee notes concerns raised by the ERS Board of Trustees that the language in this bill does not address all the situations which may involve rollover or transfers of deferred compensation funds. Accordingly, your Committee has amended this bill by:

- (1) Referencing additional sections of the Internal Revenue Code (IRC) that would be applicable to this measure including sections dealing with the taxability of a beneficiary of an employees' trust and non-taxable trustee-to-trustee transfers to purchase permissive service credit;
- (2) Correcting references to the sections of the IRC currently in the measure;

- (3) Specifying that taxes shall only be applied to the amount of funds rolled over to the ERS if the amount rolled over would have been subject to Hawaii income tax if distributed at retirement rather than being rolled over; and
- (4) Specifying that taxes shall only be applied to the amount of funds transferred to the ERS.

Other 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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2348, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 498-08 Labor & Public Employment on H.B. No. 2755

The purpose of this bill is allow employees who did not choose to join the Employees' Retirement System (ERS) Hybrid Plan, a second opportunity to elect membership in the Hybrid Plan.

The Hawaii State Teachers Association and numerous concerned teachers testified in support of this bill. The ERS Board of Trustees commented on this measure.

Act 179, Session Laws of Hawaii 2004, established an alternative defined contribution plan known as the Hybrid Plan in the ERS in response to a comprehensive study conducted by the ERS and presented to the 2002 Legislature. The findings of the study indicated that the development of a cost neutral Hybrid Plan would enhance public sector pension benefits and, in turn, improve the recruitment and retention of public sector employees. To be effective, the proposed Hybrid Plan would apply to new employees, while class C noncontributory members and class A contributory members would be given a one-time election to join the Hybrid Plan.

The Hybrid Plan offered a great benefit to state employees since many employees have neither the expertise nor the discipline to save and invest their money wisely, which is a necessity under a non-contributory retirement plan. A number of employees and retirees who opted out of the contributory plan in the past have regretted that decision because they either spent the money that should have gone toward their retirement or made investments that performed poorly. The same can also be said of many employees who were hired after the contributory plan was discontinued.

However, some employees may not have entirely understood the beneficial aspects of joining the Hybrid Plan although the ERS made great efforts to inform all public employees of these benefits. As such, your Committee finds that allowing another opportunity for employees to join the Hybrid Plan is reasonable.

While your Committee understands the concerns raised by the ERS that this action may jeopardize their tax-exempt status, your Committee wishes that further discussion of this matter take place, and therefore has amended this measure by:

- (1) Changing its effective date to July 1, 2059, 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. 2755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2755, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 499-08 Labor & Public Employment on H.B. No. 2964

The purpose of this bill is to support workforce and economic development by allocating Reed Act fund monies out of the Unemployment Trust Fund to:

- (1) The four county workforce investment boards to be used for workforce and economic development purposes; and
- (2) The Department of Labor and Industrial Relations (DLIR) to be used by the Workforce Development Council (WDC) to fund positions to identify additional funds and resources to support statewide workforce and economic development activities.

The Mayor of the County of Hawaii, Office of Housing and Community Development of the County of Hawaii, Hawaii County Workforce Investment Board, and several concerned individuals testified in support of this bill. WDC supported the intent of this measure.

The "Reed Act" is a provision in the Social Security Act that provides for the distribution of federal unemployment tax funds to state unemployment programs in the event that excess unemployment tax revenues are collected. In the 1990s the federal government distributed Reed Act monies to the states, with Hawaii receiving approximately \$30 million.

However, to use these monies, the Legislature had to pass legislation that conformed Hawaii law to certain federal requirements and then appropriate the funds. In 2006 and 2007, the Legislature did that and appropriated \$10 million for workforce and economic development

purposes. By all accounts provided by the various stakeholders, these monies were well spent and went a long way to accomplishing the goals of the WDC. However, more needs to be done.

Your Committee finds that the allocation of additional Reed Act monies would further enhance the economic and workforce development of the residents of our state.

While the County of Hawaii requested that \$2 million be allocated for the Hawaii Workforce Investment Board, this request is beyond the jurisdiction of your Committee on Labor and Public Employment and your Committee respectfully requests the Committee on Finance to further evaluate this request. However, your Committee finds that allowing the allocated funds to lapse at the end of the 2008-2009 fiscal year may not be in the best interests for the county workforce investment boards and DLIR.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a provision that all moneys appropriated by this Act shall not lapse until June 30, 2010; and
- (2) Changing the effective date to July 1, 2059, to encourage further discussion; and

Other technical, nonsubstantive amendments were 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. 2964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2964, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 500-08 Labor & Public Employment on H.B. No. 2792

The purpose of this bill is to provide fair and equitable compensation for substitute teachers by requiring the Board of Education to provide wage adjustments comparable to the across-the-board percent wage adjustments for teachers that are negotiated with Collective Bargaining Unit 5. In addition, this bill allows BOE to adjust hours, benefits, and other terms and conditions of employment for substitute teachers.

The Department of Education and the Hawaii State Teachers Association supported this bill. The Attorney General, Hawaii Carpenters Union, Local 745, and Alston Hunt Floyd & Ing Lawyers supported this bill with amendments. The Department of Budget and Finance submitted comments.

Your Committee finds that substitute teachers play a vital role in our children's education. The provisions contained in this bill are intended to provide a fair, reasonable, and efficient mechanism to determine substitute teacher pay by linking substitute teacher wage adjustments to those of regular teachers in Collective Bargaining Unit 5.

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. 2792, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 501-08 Labor & Public Employment on H.B. No. 2775

The purpose of this bill is to attract and retain highly qualified individuals for the position of director of the Executive Office on Aging by allowing the appointing authority to set the director's salary.

The Department of Health testified in support of this bill.

Your Committee notes that allowing the appointing authority to determine the appropriate compensation for the director would better attract and retain highly qualified individuals.

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 H.B. No. 2775, 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. 2775, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 502-08 Labor & Public Employment on H.B. No. 3072

The purpose of this bill is to assist the state in meeting the challenges of a global economy by improving access to, and the quality of, higher education. Specifically, this bill expands the State Post-Secondary Education Commission as follows:

- (1) Renames it the Hawaii Higher Education Commission (Commission);

- (2) Removes the members of the Board of Regents and broadens the Commission's membership to include representatives of public and private institutions of higher education, government, and business;
- (3) Provides for the initial appointment and election of the Commission's chair;
- (4) Allows for the Commission to receive funds from other sources to carry out its mandated functions;
- (5) Requires the Commission to propose and manage a program to provide incentives for individuals wishing to obtain higher education;
- (6) Authorizes the Commission to evaluate elementary and secondary public schools in the state, including their ability to prepare students for post-secondary education;
- (7) Authorizes the Commission to review and recommend policies that increase the rate of students pursuing post-secondary education; and
- (8) Specifies that the Department of Business, Economic Development, and Tourism (DBEDT) and the Department of Labor and Industrial Relations are to assist in the Commission's efforts.

DBEDT and an individual testified in support of this bill. The Department of Education (DOE) did not support the bill as currently drafted. The University of Hawaii commented on this measure.

Hawaii is facing increased challenges to meet the ever changing demands of a global economy. Today, many employers require their employees to have some form of postsecondary education for their business to compete in the complex national and international markets. This has changed the way education is looked at since a high school diploma, or even a bachelor's degree, is no longer a standard by which to judge an individual's employability. Amending the membership of the Commission and empowering it with additional authority to carry out its mission is a first step in preparing Hawaii's residents to meet the needs of a challenging world.

However, your Committee notes the concerns raised by DOE that giving the Commission the authority to evaluate elementary and secondary public schools in the state is in direct conflict with the roles and responsibilities of the Board of Education. Accordingly, your Committee has amended this measure by deleting this function of the Commission.

Additionally, this measure has been amended by:

- (1) Changing its 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. 3072, 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. 3072, H.D. 2.

Signed by all members of the Committee except Representative Nakasone. (Representative Takumi voted no.)

SCRep. 503-08 Labor & Public Employment on H.B. No. 2910

The purpose of this bill is to protect the rights of innovative employees by invalidating trade secret protections for employees in a collective bargaining unit unless fair compensation was negotiated collectively with employees involved in developing an alleged trade secret.

An individual testified in support of this bill.

It is important that Hawaii remain competitive in an increasingly global market. One way to achieve this is through the fostering of innovative ideas. However, many employers require employees to sign agreements assigning any rights that employees have to their inventions to the employer. The employer may then develop an employee's invention without the employee receiving fair and just compensation. This measure seeks to protect these inventor's rights.

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. 2910 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 504-08 Labor & Public Employment on H.B. No. 2583

The purpose of this bill is to foster meaningful dialogue regarding certain University of Hawaii (UH) matters by:

- (1) Prohibiting the UH Board of Regents (Board) from withholding recommendations, draft documents, proposals, suggestions, or other opinion materials that comprise part of the deliberative process by which the Board formulates its decisions and policies, including those relating to the UH budget;

- (2) Requiring UH to disclose in open meeting for purposes of public comment, the proposed compensation or change in compensation of administrative positions in the UH system filled by excluded employees; and
- (3) Requiring that the Board, for administrative positions in the UH system filled by excluded employees, publicly disclose, no later than six business days before any related open meeting convened for the purposes of public comment, the compensation offered to newly-hired employees and any changes in compensation offered to existing employees under Chapter 89C, Hawaii Revised Statutes.

The UH Professional Assembly testified in support of this bill. UH opposed this measure.

The Board has jurisdictional authority over UH, as well as various personnel matters such as the hiring of, or changing in the salaried compensation of, a number of positions in the UH system, including administrative positions that are currently, or will be, filled by excluded employees. When considering the compensation packages of these excluded administrators or changes in excluded administrative salaries, it appears that public interests may best be served by allowing public comment on this activity. However, your Committee understands the concerns raised by UH regarding issues of privilege and confidentiality. As these matters are beyond the purview of your Committee on Labor, your Committee respectfully requests the Committee on Judiciary to review these issues further when considering this legislation. Nevertheless, the importance of this matter warrants further discussion.

Your Committee has amended this measure by:

- (1) Deleting the provision prohibiting the Board from withholding recommendations, draft documents, proposals, suggestions, or other opinion materials that comprise part of the deliberative process by which the Board formulates its decisions and policies, including those relating to the UH budget;
- (2) Changing its effective date to July 1, 2009, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583, 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. 2583, H.D. 2.

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

SCRep. 505-08 Labor & Public Employment on H.B. No. 3082

The purpose of this bill is to improve and enhance the Employees' Retirement System (ERS) by, among other things:

- (1) Allowing the ERS to require employers to transmit payroll and personnel transactions in an electronic format;
- (2) Requiring direct deposit for lump sum refunds of accumulated contributions greater than \$250 if the member does not elect to roll over the payment into an eligible retirement plan, and allowing the ERS to waive this method if another method is determined to be more appropriate;
- (3) Requiring that Contributory and Hybrid Plan members make retirement contributions while on leave of absence for professional improvement or when performing governmental functions, in order to receive membership credit;
- (4) Automatically increasing the annual ceiling on pension benefits to parallel the increases in the federal ceiling under Section 415 of the Internal Revenue Code;
- (5) Requiring the State and county governments to remit the employee's contributions based on the compensation that the member would have received had the member not been on active military duty in the armed forces to comply with the federal Uniform Services Employment and Reemployment Rights Act; and
- (6) Clarifying that accidental death benefits for Noncontributory Plan members are not subject to the 10-year service credit requirement that is applicable to ordinary death benefits in the Noncontributory plan.

The ERS Board of Trustees and Department of Budget and Finance testified in support of this bill. The Department of Finance of the County of Hawaii (County of Hawaii) opposed this measure.

This bill mainly clarifies and conforms statutes governing the ERS to current practices and attempts to enhance the efficiency of the ERS by allowing ERS to require the electronic transfer of data from employers.

Your Committee notes that according to the County of Hawaii, they already provide whatever information the ERS requests of them and therefore their opposition to this measure is mainly to section 1 of the bill.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3082 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 Nakasone.

SCRep. 506-08 Labor & Public Employment on H.B. No. 2672

The purpose of this bill is to address parking fee issues for public employees and the ongoing maintenance and operational needs for parking in a timely and effective manner by:

- (1) Clarifying the Comptroller's authority over parking facilities within the State's jurisdiction by:
 - (A) Removing parking space fees from collective bargaining negotiations for parking facilities within the jurisdiction of the Comptroller; and
 - (B) Allowing the Comptroller to install parking meters in parking facilities within the new jurisdiction of the Comptroller and assess and collect charges for vehicles using the metered spaces.
- (2) Tying parking fees for public employees to salary increases negotiated through collective bargaining; and
- (3) Eliminating the \$500,000 cap on the balance of funds in the State Parking Revolving Fund (Parking Fund).

The Department of Accounting and General Services testified in support of part of this bill. The Hawaii Government Employees Association opposed this bill in part and supported this bill in part.

Repealing the cap on the amount of funds that may be kept in the Parking Fund will allow the Comptroller to address numerous ongoing maintenance and operational needs for state parking facilities statewide.

However, your Committee has concerns regarding the collective bargaining provisions of this measure. Parking is currently a negotiable item through collective bargaining and should remain as such. Moreover, tying parking fees to salary increases achieved through collective bargaining does not appear to have a relationship to the operation and maintenance of state parking facilities.

Accordingly, your Committee has amended this measure by removing provisions that:

- (1) Remove parking space fees from collective bargaining negotiations for parking facilities within the jurisdiction of the Comptroller;
- (2) Allow the Comptroller to install parking meters in parking facilities within the Comptroller's new jurisdiction and assess and collect charges for vehicles using the metered spaces; and
- (3) Tie parking fees for public employees to salary increases negotiated through collective bargaining.

Other technical, nonsubstantive amendments were 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. 2672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2672, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 507-08 Labor & Public Employment on H.B. No. 2710

The purpose of this bill is to assist the county governments in meeting their workforce needs by allowing a county to hire retired state or county government employees without restriction as to the length of employment or number of hours worked per week.

The Mayor of the County of Hawaii, Mayor of the County of Kauai, Hawaii Council of Mayors, 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, and Honolulu Fire Department supported this bill. The Hawaii Government Employees Association and Hawaii Fire Fighters Association supported the intent of this measure. The Department of Human Resources Development (DHRD) and Employees Retirement System (ERS) commented on this bill.

Low unemployment, along with retirement, has made it difficult for the counties to meet their workforce demands. With an aging baby boomer generation expected to lead to increasing numbers of employees retiring, this problem is only expected to worsen. Allowing counties to re-hire retirees to work in government will not only help to resolve this problem until workforce numbers increase but will also allow for experienced individuals to pass on their knowledge and skills to newly hired personnel.

However, your Committee notes that a number of concerns were raised regarding this measure. DHRD stated that this is not only a county problem and that the state is also experiencing workforce shortages, especially in difficult-to-fill positions. The ERS also had several concerns with this measure, including the necessity for employers to continue to make retirement contributions and the incorporation of a one-year waiting period prior to the rehiring of an employee to prevent perceived "double dipping" by a retiree who would be receiving a salary and retirement benefits under this measure.

Accordingly, your Committee has amended this bill by:

- (1) Authorizing the director of human resources of the appropriate state jurisdiction to employ retired state or county government employees to fill labor shortage and difficult-to-fill exempt or civil service positions;

- (2) Requiring that retired state or county government employees only be eligible for full-time employment with a state or county government after being retired for one calendar year;
- (3) Prohibiting re-employment agreements from being entered into between the state or county and an employee prior to the retirement of the employee;
- (4) Requiring the director of human resources of the appropriate state jurisdiction in which a retired state or county government employee is hired to certify the hiring of the retiree was done pursuant to applicable civil service and employment laws;
- (5) Requiring each employer to make employer contributions to the pension accumulation fund;
- (6) Requiring a re-hired retired state or county employee to join the appropriate bargaining unit if hired in a position covered by collective bargaining;
- (7) Requiring the director of human resources of the appropriate state jurisdiction to submit an annual report detailing the employment of retirees;
- (8) Inserting definitions for "One calendar year", "State jurisdiction", and "State executive branch";
- (9) Inserting a repeal date of June 30, 2013; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2710, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 508-08 Labor & Public Employment on H.B. No. 2848

The purpose of this bill is to ensure that the state and county governments provide needed public service by maintaining a qualified, stable, and experienced workforce. Specifically, this bill authorizes the rehiring of state or county employees who have retired for any critical-to-fill or labor shortage position, without affecting the receipt of their retirement benefits and without accruing additional credit or benefits.

The Judiciary, Department of Human Resources of the City and County of Honolulu, and Department of Education testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. The Department of Human Resources Development and 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 these 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 and allow newer employees to gain further experience and expertise in these fields so that they can permanently fill these positions at a later date.

Although your Committee understands concerns that were raised with regard to possible "double dipping" and that safeguards against abuse of the system were needed, the maintaining of a qualified workforce is important. Your Committee believes this matter deserves further consideration and discussion. Accordingly, this bill has been amended by changing its effective date to July 1, 2009, to encourage further discussion.

Other technical, nonsubstantive amendments were 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. 2848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2848, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 509-08 Labor & Public Employment on H.B. No. 2974

The purpose of this bill is to protect an employee's right to organize and allow both public and private sector employees easier access to union representation by:

- (1) Streamlining the process to certify union representation by requiring the Hawaii Labor Relations Board to certify an exclusive representative if a majority of the employees in a unit not currently represented has signed valid authorizations designating a bargaining representative instead of doing so through an election process; and
- (2) Establishing a process that facilitates the initial collective bargaining agreements between an employer and a newly certified employee representative.

The Hawaii Building and Construction Trades Council, AFL-CIO, ILWU Local 142, and Hawaii State AFL-CIO testified in support of this bill. The Hawaii Government Employees Association (HGEA) supported the measure with an amendment. The Department of Labor and Industrial Relations, Associated Builders and Contractors of Hawaii, Hawaii Hotel and Lodging Association, and Outrigger Hotels testified in opposition to this bill. The Office of Collective Bargaining (OCB) opposed this measure in part.

Although many employees have been allowed to legally exercise their right to organize, many employers still attempt to deny workers the freedom to form a union. By streamlining the union certification process by enabling workers to form unions when a majority of the workers sign union authorization cards, the playing field for workers seeking to be organized is leveled.

Your Committee does understand the concerns raised by HGEA and OCB that amending existing law for public sector employees is unnecessary and that the current collective bargaining system should be maintained for these employees. Your Committee also notes the concern raised by ILWU that although this measure facilitates the initial collective bargaining agreement between the newly certified employee representative and the employer, no provisions exist to resolve a stalemate between the two parties should one develop.

Accordingly, your Committee has amended this measure by:

- (1) Removing the streamlined union certification process and facilitation of collective bargaining agreements for public sector employees;
- (2) Establishing a process for arriving at a collective bargaining agreement between the newly certified employee representative and the employer if a stalemate develops;
- (3) Changing its effective date to July 1, 2009, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2974, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 510-08 Labor & Public Employment on H.B. No. 3144

The purpose of this bill is to assist employees in financially providing for their future by automatically enrolling newly hired employees into the State's Deferred Compensation Plan (Deferred Comp) unless the employee elects not to enroll in the program.

The Department of Human Resources Development and Board of Trustees for the State of Hawaii Deferred Compensation Plan (Board) supported this bill. The Department of Human Resources of the County of Hawaii supported the intent of this measure.

Industry experts and financial consultants believe that relying on retirement income solely from an employee's pension plan and social security payments will not be sufficient to keep up with rising inflation costs. Subsequently, the State, along with the counties of Maui, Kauai, and Hawaii, implemented Deferred Comp as an option for their employees to supplement their retirement income. Deferred Comp is a system that allows employees to contribute a part of their compensation on a tax-deferred basis. These funds can then be drawn upon when the retired employee needs them.

While saving funds in Deferred Comp is an important step in preparing for retirement, the fact of the matter is that many new employees do not consider the issue of retirement since it is often viewed as something that is in the distant future and enrollment is currently low. Making Deferred Comp mandatory for all new employees will help them prepare for their future.

However, your Committee understands the concerns raised by the Department of Human Resources of the County of Hawaii regarding the authority granted the Board under this bill that allows the Board to triple the mandatory contribution amount without consultation. Accordingly, your Committee has amended this bill by removing the provision allowing the Board to increase the mandatory payroll deduction from 1 percent to a maximum of 3 percent.

Other technical, nonsubstantive amendments were 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. 3144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3144, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone. (Representative Evans voted no.)

SCRep. 511-08 Labor & Public Employment on H.B. No. 2930

The purpose of this bill is to assist Hawaii's workers by increasing the minimum wage from:

- (1) \$7.25 per hour to \$8.00 per hour beginning July 1, 2008;
- (2) \$8.00 per hour to \$8.50 per hour beginning July 1, 2009; and

- (3) \$8.50 per hour to \$9.00 per hour beginning July 1, 2010.

The Hawaii State AFL-CIO, ILWU Local 142, Hawaii Women's Political Caucus, Young Democrats of Hawaii, Hawaii Building and Construction Trades Council, AFL-CIO, and several concerned individuals testified in support of this bill. The National Federation of Independent Business Hawaii, The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Hawaii Restaurant Association, LWD, Inc., Gyotaku Japanese Restaurant, Auntie Pasto's Kunia, Cinnamon's Restaurant, Cool Cat Café, Popeyes Chicken & Biscuits, Hawaii Hospitality Magazine, and a concerned individual opposed this measure. The Department of Labor and Industrial Relations commented on this bill.

While the concept of the minimum wage was established to allow working Americans the benefits of earning decent wages and living comfortable lives, inflation and increases in the cost of living have outpaced increases in the minimum wage. This has forced many people, especially those living in Hawaii, to work two or more jobs just to make ends meet. In turn, the family unit has been adversely impacted as more and more parents find it necessary to work multiple jobs, making it more difficult to spend time with their families.

Your Committee notes that in oral testimony, many testifiers opposed to this measure were restaurant owners who stated that they were not opposed to increases in minimum wage, but rather wanted to strike a balance by being afforded a larger tip credit. Many of these restaurant owners contended that without increasing the tip credit, they would be unable to significantly increase the wages of individuals working in the "back" of restaurants, including cooks and dishwashers. Furthermore, concerns were raised by various businesses providing employment to minors seeking their first job that increases in the minimum wage would hamper their ability to hire these individuals.

Further, your Committee understands the concerns raised by various businesses that an increase in the minimum wage impacts their ability to significantly increase their employment roles and is cognizant of the fact that increasing the minimum wage may have a detrimental affect on the business climate in Hawaii by increasing business costs. Nevertheless, increasing the minimum wage may also enhance the economy as individuals who receive increases in their incomes oftentimes tend to spend their additional income more freely.

While the increases in minimum wage in this measure are currently scheduled to begin on July 1 of this year, your Committee finds that this increase may be too soon as the last increase in the minimum wage was on January 1, 2007, and that businesses may not have the time to adequately prepare for these increases which could hinder their ability to estimate their annual budgets. Accordingly, your Committee has amended this measure by:

- (1) Providing that the initial increase in the minimum wage from \$7.25 to \$8.00 shall not begin until July 1, 2009, with the additional increases occurring in yearly increments thereafter; and
- (2) Changing the effective date to July 1, 2009, to encourage further discussion.

Other technical, nonsubstantive amendments were 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. 2930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2930, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 512-08 Labor & Public Employment on H.B. No. 2520

The purpose of this bill is to improve the ability of employees who need time off from work to care for a family member with a serious health condition without the threat of encountering financial hardships by amending Hawaii's Temporary Disability Insurance (TDI) Law to permit an eligible employee to collect up to two weeks of TDI benefit payments to care for a family member with a physical or mental condition that warrants the participation of the employee to provide care during the period of treatment or supervision by a health care provider.

The Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, Hawaii Teamsters and Allied Workers Local 996, ILWU Local 142, Hawaii Government Employees Association, and numerous concerned individuals supported this bill. The Department of Labor and Industrial Relations, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, SHRM Hawaii, National Federation of Independent Business, and General Contractors Association of Hawaii opposed this bill. The Chamber of Commerce of Hawaii did not support this bill.

Hawaii's unique cultural and traditional values often result in many of Hawaii's workers being called upon to care for ill or aging family members. As a needs assessment conducted by the University of Hawaii School of Social Work on behalf of the Joint Legislative Committee on Family Caregiving pointed out, over 25 percent of Hawaii households contain at least one individual providing informal, unpaid care for an adult aged 60 or older with a physical or cognitive disability. This is only expected to increase over the coming years as Hawaii's population continues to age.

However, serving as a family caregiver for a family member who needs assistance with their activities of daily living comes at a price. Many workers providing care for an ill or injured family member are forced to take time off from work, oftentimes taking unpaid leave. This creates a financial burden on the worker attempting to fulfill family obligations and ultimately affects the family unit as a whole. Allowing workers who also serve as family caregivers to claim TDI benefits in order to provide this assistance to their ill or injured family member will help ease some of this hardship.

Yet, while the intent of this measure is laudable, your Committee recognizes that this is a complex issue and that there remains a number of questions and concerns regarding the provision of TDI benefits for persons other than the ill or injured employee, including increased costs to business, possible conflicts with other statutes such as the Hawaii Family Leave Law, and possible conflicts with federal laws and

regulations. Nevertheless, this measure serves as a starting point from which to build important legislation and your Committee finds that this matter deserves further consideration and discussion as it moves through the legislative process.

Accordingly, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, 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. 2520, 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. 2520, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 513-08 Labor & Public Employment on H.B. No. 3168

The purpose of this bill is to increase efficiency in the administration of the unemployment insurance law by allowing changes in unemployment tax rates due to total and partial transfers of experience rating to be calculated at the same time, instead of at different times during the year.

The Department of Labor and Industrial Relations supported this bill.

Transfers of unemployment experience rating occur, for example, when an employing unit transfers its business to another employing unit. This bill will make both total and partial transfers of experience effective beginning the calendar year immediately following the transfer, allowing unemployment tax rates to be recalculated at the same time for both of these types of transfers. Thus employers will not have to reprogram their accounting systems to deal with multiple rate changes, and the current unemployment tax system can be used to perform the rate recalculations without major programming changes.

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. 3168 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 514-08 Labor & Public Employment on H.B. No. 3166

The purpose of this bill is to improve the efficiency and expeditiousness of the workers' compensation system by authorizing the Labor and Industrial Relations Appeals Board (Board) to:

- (1) Appoint a hearings officer; and
- (2) Set the duties and compensation of the appointed hearings officer.

The Department of Labor and Industrial Relations (DLIR), the Chair of the Board, and ILWU Local 142 testified in support of this bill.

Currently, the Board consists of three members appointed by the Governor who have the power to decide appeals from decisions rendered by and orders of the Director of DLIR. Essentially, the Board adjudicates workers' compensation cases.

Each year, the Board receives several hundred appeals. While the appeals for trial are scheduled in the order in which they are received, the tremendous backlog of cases has often caused appeals trials to be scheduled up to a year later. While the Board has moved to improve the expeditiousness of this system, the length of time it may take to resolve these cases may result in injured employees not receiving proper medical treatment, or vocational training or education being delayed.

Your Committee finds that the allowing the Board to retain the services of a hearings officer will allow the resolution of time-sensitive appeals concerning vocational rehabilitation, medical care, and temporary total disability benefits to be expedited. However, your Committee remains concerned that the jurisdiction of the hearings officer is not precisely specified in the statutory provisions of this bill. Nevertheless, this measure deserves further consideration.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, 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. 3166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3166, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 515-08 Labor & Public Employment on H.B. No. 3247

The purpose of this bill is to assist in the recruitment and retention of police officers by providing police officers with a retirement allowance of five percent of the retiree's average final compensation for each year of service.

The State of Hawaii Organization of Police Officers supported this bill. The Department of Budget and Finance, Department of Budget and Fiscal Services of the City and County of Honolulu, Finance Department of the County of Hawaii, and Hawaii Government Employees Association opposed this measure. The Employees' Retirement System (ERS), Department of Finance of the County of Maui, and Hawaii Fire Fighters Association commented on this bill.

Currently, Hawaii faces a shortage of police officers in each county. The Honolulu Police Department, alone, has approximately 200 vacancies. This is due to a number of factors, including compensation issues and recruitment of Hawaii's highly trained officers by other jurisdictions. Since a decrease in the total number of police officers equates to less police officers protecting Hawaii's highways, streets, and communities, finding a way to recruit and retain these individuals is of high importance. One way to retain current police officers and recruit new officers is to enhance the retirement benefits available to them.

Although your Committee notes that Act 256, Session Laws of Hawaii 2007, prohibits benefits enhancements for any members of the ERS until 2011, the importance of this matter warrants further discussion of this issue.

Your Committee has amended this bill by:

- (1) Changing the percent of the retirement allowance as a police officer from five percent of the retiree's average final compensation for each year of service to an unspecified amount;
- (2) Changing its 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 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. 3247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3247, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 516-08 Labor & Public Employment on H.B. No. 3139

The purpose of this bill is to conform state law to current federal law by deleting references to the Aid to Families with Dependent Children and the Job Opportunities and Basic Skills Act and replacing them with "Temporary Assistance for Needy Families" (TANF) and "Temporary Assistance for Other Needy Families" (TAONF), the current federal program references.

The Department of Human Services supported this bill.

Your Committee finds that the house-keeping amendments to Hawaii law made by this bill will ensure the implementation of the correct and current federal regulations regarding the work requirements for recipients of TANF or TAONF.

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. 3139 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 517-08 Labor & Public Employment on H.B. No. 2368

The purpose of this bill is to better align Hawaii's teacher licensure requirements with the criteria of the No Child Left Behind Act of 2001 (NCLB) Public Law 107-110, for highly qualified teachers. Specifically, this bill:

- (1) Requires the Department of Education (DOE) and Hawaii Teacher Standards Board (HTSB) to share data and collaborate for this purpose;
- (2) Allows individuals to be employed by DOE on an emergency basis for no more than three, rather than four, years; and
- (3) Requires unlicensed individuals who have been hired on an emergency basis and are currently teaching noncore subject areas to attain licensure no later than four years from the date of their employment.

The University of Hawaii and HTSB testified in support of this bill. The Hawaii State Teachers Association supported the intent of this bill.

The shortage of licensed teachers in Hawaii has forced DOE to hire nonlicensed teachers. However, these individuals must be in active pursuit of their license to teach within a certain period of time to be able to continue to teach for the DOE. Under NCLB, the emergency

hire teacher needs to do this within three years of being hired. This bill conforms state licensing laws for emergency hire teachers with the NCLB.

However, your Committee understands the concerns raised by DOT and has amended this bill by changing its effective date to July 1, 2009, to encourage further discussion.

Other technical, nonsubstantive amendments were 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. 2368, 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. 2368, H.D. 2.

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

SCRep. 518-08 Labor & Public Employment on H.B. No. 2272

The purpose of this bill is to assist programs that employ persons with disabilities by providing that the exemption from the civil service law that applies to county contracts lasting not more than a year and costing not more than \$750,000 shall apply to contracts with qualified community rehabilitation programs regardless of the amount of the contract.

The Department of Human Resources Development, Ka Lima O Maui, the ARC of Kona dba Kona Krafts, Anuenue Hale, Inc., and the Arc of Hilo testified in support of this bill. The Hawaii Government Employees Association testified in opposition to this measure.

Qualified community rehabilitation programs enable workers with disabilities to become contributing members of Hawaii's communities and provide much needed employment opportunities to the most underemployed and unemployed segment of Hawaii's population.

Your Committee finds that by using these organizations to provide county services, the counties can provide necessary duties and services to the public. However, contracts with these organizations are often in excess of the \$750,000 cost restriction, which makes the employment of personnel under these contracts subject to Hawaii's civil service requirements.

As these qualified community rehabilitation programs represent a very small and limited number of agencies in Hawaii, providing them with an exemption from the \$750,000 cost limit on contracts exempted from Hawaii's civil service requirements seems reasonable.

Your Committee has amended this measure by:

- (1) Changing its 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. 2272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2272, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 519-08 Labor & Public Employment on H.B. No. 2481

The purpose of this measure is to make permanent the Voluntary Employees' Beneficiary Association (VEBA) Trust program.

The Hawaii State Teachers Association (HSTA) and many concerned teachers testified in support of this bill. The Department of Human Resources Development, Department of Budget and Finance, Department of Finance of the County of Hawaii, Administrator of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), and EUTF Board of Trustees opposed this measure.

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 health care cost-savings mechanism for the State. However, 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 in 2005, the program itself did not begin providing services until March 1, 2006. This resulted in a time frame that was believed to be insufficient to complete a thorough cost benefit analysis of this program and report back to the Legislature. Thus, in 2007, Act 294, Session Laws of Hawaii 2007 (Act 294) was enacted to allow more time for a thorough analysis to be completed. Act 294 required an employee organization that established a VEBA trust in 2006 to submit a report to the Legislature on the status of the trust no later than 150 days after two full years of implementation. As such, HSTA's VEBA trust will be required to submit a report to the Legislature by November of 2008.

According to HSTA, reports on the first full plan year for active members which covered the first 16 months of operation were recently submitted to the Legislature and indicate that employer savings from VEBA equaled \$2.1 million from March 2006 to June 2006 and is expected to be \$2.3 million from July 2006 to June 2007. However, your Committee notes that EUTF reported that had HSTA members remained in EUTF and not transferred to the VEBA trust, the budget for the preferred provider option under EUTF would have been lower by approximately 4.3 percent amounting to an overall premium reduction of approximately \$8.6 million.

Although your Committee understands the concerns raised by opponents of the measure that the actual impacts of the VEBA trust is not yet known and finds that the Auditor's report requested during the Regular Session of 2007 to study the impacts of Act 245 has yet to be completed, this matter deserves further consideration. Accordingly, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, 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. 2481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2481, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 520-08 Labor & Public Employment on H.B. No. 3083

The purpose of this bill is to protect the tax-qualified status of the Employees' Retirement System (ERS) by:

- (1) Eliminating optional membership in the ERS for elective officers;
- (2) Implementing a one-time irrevocable election by elective officers to be excluded from the ERS;
- (3) Prohibiting elective officers and judges from retiring upon reaching the statutory cap on retirement benefits and subsequently delaying receipt of benefits until a future separation date; and
- (4) Providing that a retirant may return to service as an elective officer without suspension of their retirement benefits under certain conditions.

The Department of Budget and Finance and ERS Board of Trustees testified in support of this bill. The Judiciary supported the intent of this measure.

The Internal Revenue Service (IRS) is required to determine whether governmental public pension plans such as the ERS are complying with federal income tax laws. As a result, the ERS is mandated to submit determination letters to the IRS and make remedial plan amendments based on a five year cycle. This measure allows the ERS to comply with regulations under federal income tax laws, thus maintaining their tax-qualified status which benefits their membership.

However, your Committee understands the concerns raised by the Judiciary that, as currently written, elective officers and judges who have reached the maximum retirement allowance and continue to be active members will continue to be required to contribute to the ERS without receiving added retirement benefits. Although it is unclear at this point what effect repealing the statutory cap for elective officers and judges will have on the tax-exempt status of the ERS, this issue deserves further consideration. Accordingly, your Committee has amended this bill by repealing the statutory cap on retirement benefits for elective officers and judges.

Other technical, nonsubstantive amendments were 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. 3083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3083, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 521-08 Labor & Public Employment on H.B. No. 3142

The purpose of this bill is to attract and retain the most desirable candidates for specific executive-level positions within the State by raising the salary of the:

- (1) Manager of the Stadium Authority;
- (2) Vice Director of Civil Defense;
- (3) Executive Director of the Hawaii Housing Finance and Development Corporation; and
- (4) Chairperson of the Public Utilities Commission;

from 87 percent of the salary of the Director of Human Resources Development to 92 percent of the salary of the Director of Health.

The Department of Human Resources Development, Department of Accounting and General Services, Hawaii Housing Finance and Development Corporation, Department of Defense, Stadium Authority, and the Hawaii Government Employees Association supported this bill.

Your Committee finds that the existing salaries for the positions specified in this measure are too low in light of the complex and challenging duties and responsibilities that each position entails. Raising the salaries for the positions will help the State retain and attract the best possible leaders to take on these executive responsibilities.

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. 3142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3142, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 522-08 Labor & Public Employment on H.B. No. 2479

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 after they have achieved maximum medical improvement 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 testified in support of this bill. ILWU Local 142 supported the intent of this measure. The Department of Human Resources Development testified in opposition to this measure.

Your Committee notes that current law allows 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. Vocational rehabilitation allows an employee to continue to be a productive member of society.

However, your Committee understands concerns raised over the requirement that an employee achieve "maximum medical improvement" prior to becoming eligible for vocational rehabilitation since an employee may be able to return to light or modified duty with proper vocational rehabilitation prior to achieving this state.

Accordingly, your Committee has amended this measure by:

- (1) Removing the requirement that an employee who has been deemed unable to return to work achieve "maximum medical improvement" before being eligible for vocational rehabilitation; and
- (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. 2479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2479, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 523-08 Labor & Public Employment on H.B. No. 2387

The purpose of this bill is to improve the workers' compensation system by:

- (1) Requiring instead of allowing the Director of Labor and Industrial Relations (Director) to appoint an impartial physician to examine an injured employee and to report on the injured employee's medical condition; and
- (2) Allowing payment for these impartial examinations to be from the Special Compensation Fund (SCF).

ILWU Local 142 and Hawaii State AFL-CIO testified in support of this bill. The Department of Human Resources Development (DHRD), Department of Labor and Industrial Relations (DLIR), Hawaii Insurers Council, and American Insurance Association opposed this measure. The Attorney General submitted comments.

Under the current workers' compensation system, independent medical examinations (IMEs) usually are performed by an agreed-upon physician and the employer or insurance carrier is responsible for the payment of the examination. Unfortunately, since the physician is paid for by the employer or insurer, the impartiality of the medical examination is called into question. Requiring the Director to appoint an impartial physician to conduct an IME and allowing the Director to pay for this examination using moneys from the SCF would bring a fairer balance to these examinations.

However, your Committee does understand the concerns raised by DHRD and DLIR regarding the overly broad language in this measure that may be interpreted to require the Director to appoint an impartial physician to examine every workers compensation case. Nevertheless, this measure deserves further consideration. Your Committee has amended this measure by:

- (1) Deleting the provision requiring instead of allowing the Director to appoint an impartial physician to examine an injured employee and to report on the injured employee's medical condition;
- (2) Changing its effective date to July 1, 2009, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2387, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 524-08 Labor & Public Employment on H.B. No. 2386

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) Requiring an employer to pay temporary total disability (TTD) benefits without waiting for a decision from the Director of Labor and Industrial Relations (Director) regardless of whether the employer controverts the right to those benefits;
- (2) Specifying that the provision of TTD benefits shall continue until the employee's treating physician determines that the employee is able to resume work and a bona fide offer of suitable work within the employee's medical restrictions has been made;
- (3) Requiring the Director, after conducting a hearing, to indicate whether TTD benefits should have been discontinued, and if so, designate a date after which TTD benefits should have been discontinued;
- (4) Allowing an employer to make a written request to the Director for the issuance of a credit for the amount of TTD benefits paid by the employer after the date which the Director determined TTD benefits should have been discontinued;
- (5) Requiring an employer or insurer to pay for attorney's fees and costs to the employee if the employer or insurer is found to be noncompliant with the TTD law; and
- (6) Entitling an injured employee to receive a weekly benefit amount equal to 70 percent of the injured employee's average weekly wage, or a maximum weekly income benefit based upon the state average weekly wage applicable, under certain conditions.

The Hawaii State AFL-CIO and Hawaii Chapter – American Physical Therapy Association supported this bill. ILWU Local 142 supported the intent of this measure. The Department of Human Resources Development, Department of Labor and Industrial Relations, Hawaii Insurers Council, Property Casualty Insurers Association of America, National Federation of Independent Business, Building Industry Association of Hawaii, American Insurance Association, Hidano Construction, Inc., and the Chamber of Commerce of Hawaii opposed this bill.

While 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 exchange for an injured worker giving up the right to sue the employer, the process has become very adversarial. This has resulted in claims and counterclaims being filed and appealed regarding a worker's injury and often results in delaying the provision of TTD benefits. This delay ultimately causes delays in the receipt of treatment by the injured employee, thus hindering the recovery of an injured worker. Allowing a worker to continue to receive TTD benefits until the Director renders a decision in the matter while affording the employer the opportunity to obtain a credit for the amount of overpayment in TTD benefits appears to be a fair balance that addresses 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. 2386 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 525-08 Labor & Public Employment on H.B. No. 2388

The purpose of this bill is to protect the health and welfare of injured workers by ensuring that injured employees receive uninterrupted medical care, even when disputes arise over whether treatment should be continued.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this bill. The Hawaii Chapter-American Physical Therapy Association supported the intent of this measure. The Department of Labor and Industrial Relations, Department of Human Resources Development, Hawaii Insurers Council, National Federation of Independent Businesses, Property Casualty Insurers Association of America, the Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, American Insurance Association, and Hidano Construction, Inc. testified in opposition to this bill.

The workers' compensation law was established as a "no-fault" law designed to be a "win-win" situation for all the parties involved. An injured worker would receive necessary medical treatment to allow them to return to work but would give up the right to sue the employer. In return, the employer would regain a productive employee without having to worry about a lawsuit. However, this system has proven to be more adversarial in nature than was envisioned.

Although obtaining proper medical treatment is the best method to returning an employee to gainful employment in a timely and efficient manner, medical treatments are often a point of contention between the employee and employer. Your Committee finds that ensuring that medical treatments for an injured employee are continued until a decision is rendered by the Director on the appropriateness of the treatment is in the best interest of both the employee and employer.

However, your Committee is also cognizant that employees may receive unnecessary treatments at a cost to an employer or insurer prior to the Director rendering a decision. In these cases, the employer or insurer may recover the costs they have expended from the employees health care provider or other occupational or non-occupational insurer.

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. 2388 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 526-08 Labor & Public Employment/Public Safety & Military Affairs on H.B. No. 3030

The purpose of this bill is to protect worker's rights by clarifying the circumstances under which the Governor may suspend statutes relating to wages and hours on public works projects.

The Hawaii Carpenters Union and Laborers' Union Local 368 testified in support of this bill. The State Department of Defense and Department of Labor and Industrial Relations testified in opposition to this bill.

Currently, the Governor may suspend the payment of prevailing wages on public works projects during a state of emergency. This measure simply clarifies when the Governor may specifically suspend prevailing wages on public works projects and requires the Governor to issue a proclamation for an emergency in order to take this action.

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. 3030 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 527-08 Health on H.B. No. 2859

The purpose of this bill is to streamline the certificate of need (CON) process by requiring decisions regarding issuance of a CON at only one public hearing and within 30 days, if an applicant is required to and has obtained:

- (1) An approved environmental impact statement or a finding of no significant impact from the Office of Environmental Quality control; and
- (2) All necessary county land use and zoning change permits.

The Department of Health, Liberty Dialysis, Healthcare Association of Hawaii, ILWU Local 142, and Hawaii Centers for Independent Living opposed this bill.

Your Committee finds that the CON process has been the subject of heated debate, especially over the past three years. While some health care providers, including small specialty services such as providers of dialysis services, may find the CON process offers some level of protection by preventing a flood of similar services in the market, others find it prevents healthy competition. Many different methods have been tried to adjust the CON process. Your Committee points to H.B. No. 2867, which was introduced to abolish the CON process. Another measure introduced this year sought to provide more decision-making power to the regions where a health care facility or service is proposed to be created. All of these initiatives, while different in approach, share a commonality: trying to ensure that Hawaii's health care safety net remains strong. However, there is still much work that needs to be done before an answer to the CON controversy can be found. Therefore, your Committee finds that this bill should continue through the legislative process to encourage further discussion on this vital matter.

Your Committee has amended this bill by:

- (1) Replacing its contents with provisions that limit the CON process to acute care hospitals and long-term care facilities involving not less than \$150,000,000; 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. 2859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2859, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 528-08 Human Services & Housing on H.B. No. 2889

The purpose of this bill is to provide important information regarding Hawaii housing costs to policymakers by requiring the Hawaii Housing Finance and Development Corporation (Corporation) to develop a list of cost items that impact the cost of homes in Hawaii, particularly those encountered by the Corporation. In addition, this bill requires the Corporation to submit a report of its findings, recommendations, and any suggested legislation to the Legislature no later than 20 days prior to the convening of the Regular Session of 2009.

The 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. 2889 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 529-08 Human Services & Housing on H.B. No. 3058

The purpose of this bill is to meet increased demand for affordable housing by increasing the limit for revenue bonds issued by the Hawaii Housing Finance and Development Corporation (HHFDC) under the Hula Mae Multifamily Program to \$500,000,000, from the existing limit of \$400,000,000.

HHFDC and the Hawaii Association of REALTORS 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. 3058 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 530-08 Human Services & Housing on H.B. No. 2596

The purpose of this bill as received is to make amendments to the State's child visitation laws.

For purposes of receiving public input, your Committee circulated a proposed draft prior to the hearing. The purpose of the proposed draft is to protect children in households where drugs are being used by requiring:

- (1) The Department of Human Services (DHS) to conduct an investigation within 24 hours of receiving a report of alleged drug use in the home of a child;
- (2) A parent or legal guardian to be free of drug use for at least 60 days prior to being allowed visitation rights with a child; and
- (3) A parent or legal guardian to successfully participate in substance abuse treatment for at least one year prior to being awarded full custody of a child.

DHS did not support the proposed draft.

Your Committee has amended this bill by replacing its contents with the provisions in the proposed draft. The proposed draft was further amended by:

- (1) Expanding its scope to include cohabitants or caregivers;
- (2) Requiring DHS to contact the police who will determine whether the child should be removed from the home;
- (3) Requiring DHS to file for a temporary restraining order on behalf of the child against the individual who tested positive for drug use;
- (4) Defining "illegal drug use" to mean the use of crystal methamphetamine, heroin, cocaine, phencyclidine (PCP), and morphine;
- (5) Adding a severability clause;
- (6) Requiring DHS to submit a report no later than 20 days prior to the convening of the Regular Session of 2009 on its efforts to prevent harm to children in homes where parents or caregivers are using illegal drugs; 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2596, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2596, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

SCRep. 531-08 Human Services & Housing on H.B. No. 2762

The purpose of this bill is to protect victims of domestic violence by, among other things:

- (1) Prohibiting a landlord from evicting a tenant, failing to renew a rental agreement with a tenant, or refusing to enter into a rental agreement with an individual on the basis that the person is a victim of domestic violence;
- (2) Allowing a victim of domestic violence to terminate a rental agreement without penalty, upon meeting certain conditions;
- (3) Requiring a landlord to change locks, at the tenant's expense, within three days of the tenant's request; and
- (4) Allowing a landlord to request verification of a tenant's status as a victim of domestic violence.

Hawaii Women Work!, the Legal Aid Society of Hawaii, Hawaii State Coalition Against Domestic Violence, Na Loio, Domestic Violence Action Center, and a concerned individual testified in support of this bill. The Oahu Chapter of the National Association of Residential Property Managers opposed this measure. The Hawaii Public Housing Authority, Hawaii Association of REALTORS, and a concerned individual provided comments.

Your Committee notes that this measure is not intended to prohibit landlords from evicting tenants for reasons other than the person's status as a victim of domestic violence.

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. 2762, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2762, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 532-08 Judiciary on H.B. No. 2558

The purpose of this bill is to ensure the safety and well-being of our children in the home by:

- (1) Authorizing the Department of Human Services (DHS) to conduct unannounced visits to a parental home in which a child lives if a member of the household has been convicted or adjudicated of certain offenses of child abuse or neglect; and
- (2) Establishing and appropriating funds for the Well Child Follow-Up Visit Pilot Project to allow DHS to visit with families who have been investigated by Child Welfare Services.

A concerned individual testified in support of this bill. DHS and the Department of the Attorney General (AG) offered comments.

As recommended by the AG, your Committee has amended this bill by adding a purpose section to clarify the statutory provisions provided for in the bill.

Your Committee has further amended this bill by:

- (1) Specifying that the conviction or adjudication of the offenses of the household member must have been within the past five years for the home to qualify for unannounced visits by DHS;
- (2) Clarifying that prior convictions are not limited to abuse of the same child, but any child;
- (3) Specifying that unannounced home visits may be made after a court terminates jurisdiction upon the court's finding that the child's family is willing and able to provide the child with a safe family home without the assistance of a service plan (sections 587-71(b) or 587-72(b)(1), Hawaii Revised Statutes);
- (4) Clarifying that the purpose of the unannounced visits is to confirm a safe living condition and the absence of the potential for child abuse or neglect;
- (5) Requiring DHS to maintain the least intrusive means in all aspects of the home visits to maximize individual privacy in the conduct of home visits;
- (6) Requiring DHS to restrict the use of information obtained through the home visits by DHS;
- (7) Changing the effective date to July 1, 2059, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2558, 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. 2558, H.D. 2.

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

SCRep. 533-08 Judiciary on H.B. No. 3176

The purpose of this bill is to provide additional protections to our valuable reefs by establishing a more appropriate means of quantifying damage to living coral colonies and live rock. This bill directs the Board of Land and Natural Resources (BLNR) to impose administrative penalties for damages to stony coral and live rock on a "per square meter" basis in addition to a "per specimen" basis.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, and several individuals testified in support of this bill. Ocean Tourism Coalition supported this measure with amendments.

With the prior concurrence of the Chair of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs, your Committee has amended this bill by:

- (1) Requiring BLNR, in determining the fine to be assessed, to calculate the relative economic value of the damaged area;
- (2) Adding a definition for an "accepted economic valuation method"; and
- (3) 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. 3176, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3176, H.D. 1.

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

SCRep. 534-08 Judiciary on H.B. No. 3177

The purpose of this bill is to protect our natural resources and deter unlawful acts on conservation land by:

- (1) Raising the maximum fine from \$2,000 to \$10,000 for each violation of the laws and rules governing conservation districts; and
- (2) Allowing the Board of Land and Natural Resources (Board) to set, charge, and collect the fines based on the value of the natural resource that is damaged, the market value of the natural resource damaged, and any other factor deemed appropriate by the Board.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, and Sierra Club, Hawaii Chapter, supported this bill.

Your Committee agrees with the general intent of this measure to assess fines based on damage to natural resources in conservation districts but notes that the term "natural resources" is not defined under the Conservation District Law, and that the lack of such a definition could potentially result in unintended consequences or overbroad application.

Accordingly, 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. 3177, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3177, H.D. 1.

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

SCRep. 535-08 Judiciary on H.B. No. 2383

The purpose of this bill is to provide equal access to justice, promote the most effective delivery of legal services, and better serve the needs of the population of Molokai, by:

- (1) Establishing and appropriating funds for a position for a fifth judge in the circuit court of the second circuit; and
- (2) Requiring circuit court sessions in Kaunakakai when one party is a Molokai resident and appropriating funds to secure a location on Molokai for such sessions.

The Judiciary testified in opposition to this bill.

Your Committee acknowledges the concerns raised by the Judiciary that the facilities and personnel necessary to establish a circuit court in Kaunakakai are currently inadequate to fulfill the purposes intended by this bill.

Your Committee has amended this bill by limiting the availability of court sessions in Kaunakakai to a situation in which one party is a resident of Maui and the other party is a resident of Molokai, and the latter party requests proceedings on Molokai.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2383, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2383, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 536-08 Judiciary on H.B. No. 3386

The purpose of this bill is to ensure the timely provision of legal services to state departments by:

- (1) Changing the procedure for determining representation by the Attorney General (AG) for state departments, including boards, commissions, agencies, bureaus, and state officers. The new procedure would require, among other things, that the AG employ outside attorneys when the AG is unable to represent a department because of a conflict; and
- (2) Including the Legislature and Judiciary in the new procedures for representation by the AG.

The Judiciary testified in support of this bill. The AG opposed this measure.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions that:

- (1) Allow a board, commission, or agency to employ or retain outside counsel in a matter other than one in which the board, commission, or agency is a defendant in litigation, if the AG declines representation based on a conflict of interest; and
- (2) Amend the method by which any court or judicial or legislative office may retain legal representation. Specifically, they may request representation by the AG who may decline to undertake the representation because of a conflict. However, in such cases where the AG does not undertake the representation, the AG is required to employ or retain outside counsel to provide the representation, subject to the approval of the court or judicial or legislative office.

Additionally, your Committee has changed the effective date to January 1, 2112, to encourage further discussion. 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. 3386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3386, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 537-08 Public Safety & Military Affairs on H.B. No. 2008

The purpose of this bill is to repeal section 353-32, Hawaii Revised Statutes (HRS), which provides that gifts of money or property donated to the Department of Public Safety (DPS) must be deposited in the state treasury and reported to the Legislature by DPS annually.

DPS opposed this bill.

Your Committee has amended this bill by replacing its contents with provisions that direct DPS to close the Gifts to the Department of Public Safety Trust Fund that was originally opened upon DPS's erroneous assumption that the establishment of the trust fund was authorized by statute.

Your Committee has also amended this bill by:

- (1) Changing the effective date to July 1, 2008; 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. 2008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2008, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 538-08 Public Safety & Military Affairs on H.B. No. 2685

The purpose of this bill is to ensure adequate support and treatment of inmates in the Oahu Community Correctional Center (OCCC) by directing the Department of Public Safety (DPS) and the Department of Business, Economic Development, and Tourism's Office of Planning (OP) to plan and design the construction and operation of a new minimum-security facility at the site of the existing OCCC facility.

The Hawaii Building and Construction Trades Council supported this bill. DPS, the Community Alliance on Prisons, and several concerned individuals opposed this measure. OP submitted comments.

Your Committee has amended this bill by:

- (1) Directing DPS and OP to:

- (A) Plan and design the construction and operation of a new minimum-security facility at a site with appropriate access to courts, public transportation, and other support services; and
- (B) Plan for additional community-custody beds at OCCC;
- (2) Requiring DPS to submit a report outlining the various estimated costs of implementing the mandates under this bill; 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. 2685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2685, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 539-08 Transportation on H.B. No. 2917

The purpose of this bill is to require the Department of Transportation (DOT) to allow:

- (1) Vessels with a use permit for Kewalo Basin to moor at Honolulu Harbor:
 - (A) During inclement weather or ocean conditions that cause Kewalo Basin to be shut down;
 - (B) To unload the owner's or operator's catch of fish to a business operating within Honolulu Harbor; and
 - (C) To conduct other business within Honolulu Harbor;
- and
- (2) Vessels with a use permit for Honolulu Harbor to access Kewalo Basin under certain conditions.

Several concerned individuals supported this bill. DOT supported the intent of this measure.

Sometimes harbor conditions at both Honolulu Harbor and Kewalo Basin necessitate a ship's captain to make the determination to divert the vessel for safety reasons. However, not all vessels are authorized to enter these harbors without first obtaining permission from harbor personnel. This measure would allow for captains to make decisions to divert to a safer harbor more rapidly.

Your Committee recognizes the concerns raised by DOT that jurisdictional issues regarding the management of the submerged lands of Kewalo Basin remain undecided and that DOT may not have the authority to allow entry of vessels into Kewalo Basin. Nevertheless, your Committee finds that this measure deserves further consideration.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2917, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Meyer and Pine.

SCRep. 540-08 Transportation on H.B. No. 2860

The purpose of this bill is to exempt aviation fuel purchased by a common carrier for use in intrastate transportation from within a foreign trade zone from the general excise tax (GET) and use tax.

Aloha Airlines, Aloha Airlines Pilots' Union, Hawaii Fueling Facilities Corporation, Hawaii Chapter of the March of Dimes, Transport Workers Union, International Association of Machinists and Aerospace Workers District 141, Hawaiian Airlines, and The Chamber of Commerce of Hawaii testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation (DOTAX), Attorney General, and a concerned individual commented on this measure.

A healthy inter-island airline industry is vital to the State's economy. Hawaii's inter-island airlines continue to face severe financial challenges. Fuel costs in particular have skyrocketed and grown volatile in recent years. Your Committee finds that this measure attempts to create a level playing field and create a fairer market for all airlines since sales of fuel sold from a foreign-trade zone for use by airlines traveling out of the State of Hawaii are exempt from general excise and use taxes, while fuel purchased from a foreign-trade zone that is used for inter-island travel is not exempt from these taxes.

However, your Committee notes the concerns raised by DOTAX and the Attorney General regarding this measure including the placement of the GET and use tax exemption in a more appropriate section of statute. Accordingly, your Committee has amended this measure by:

- (1) Using the term "inter-island" rather than "intrastate" to better define the travel method of the common carriers to which the provisions of this bill apply;
- (2) Adding a new section to Hawaii's GET Law to provide an exemption for aviation fuel sold from a foreign trade zone for use by a common carrier for consumption or use in air transportation for inter-island travel;

- (3) Amending the definition of "Use" under Hawaii's Use Tax Law to exclude the use of aviation fuel categorized as privileged foreign merchandise, non-privileged foreign merchandise, domestic merchandise, or zone-restricted merchandise, that is admitted into a foreign-trade zone and is used by a common air carrier for consumption in inter-island air transportation;
- (4) Deleting the provisions amending Hawaii's Foreign Trade Zone Law as this chapter contains provisions solely applicable to interstate or foreign commerce; 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. 2860, 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. 2860, H.D. 2.

Signed by all members of the Committee except Representatives Luke, Nakasone, Sonson, Meyer and Pine.

SCRep. 541-08 Health/Human Services & Housing on H.B. No. 2541

The purpose of this bill is to establish a pilot program to be operated by Hamakua Health Center to provide hospital dentistry services for Hawaii county residents who have Medicaid or QUEST insurance or are low-income and uninsured and have inadequate access to dental care.

The State Council on Developmental Disabilities and its East and West Hawaii Developmental Disabilities Committees, Hawaii Primary Care Association, The Arc of Kona, Hamakua Health Center, Inc., Full Life, and a concerned individual 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. 2541 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 542-08 Health/Human Services & Housing on H.B. No. 2913

The purpose of this bill is to provide necessary treatment for chronic kidney patients and end-stage renal disease patients in rural areas of the state by appropriating funds for the development and implementation of the modified home care and community health demonstration project.

The St. Francis Healthcare System of Hawaii and National Kidney Foundation of Hawaii 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. 2913 and recommend that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 543-08 Health/Human Services & Housing on H.B. No. 2113

The purpose of this bill is to provide financial relief to those people who have dedicated themselves to provide care for a qualified care recipient which many times will inhibit the caregiver's ability to earn income and result in financial hardships.

The Policy Advisory Board for Elder Affairs, ILWU Local 142, and a several concerned individuals supported this bill. The Disability and Communication Access Board supported the intent of this measure. The Executive Office on Aging, Department of Taxation, and Tax Foundation of Hawaii submitted comments.

Your Committees have amended this bill by adding persons with disabilities as qualified care recipients for which a caregiver may file for a tax credit.

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. 2113, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2113, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 544-08 Health/Human Services & Housing on H.B. No. 2170

The purpose of this bill is to ensure Hawaii's hospitals remain financially viable by providing fair compensation to:

- (1) Acute care hospitals for the services they provide to Medicaid patients who have recovered sufficiently to be transferred to long-term care, but for whom long-term care is not available; and

- (2) Long-term care facilities for services provided to patients with medically complex conditions.

Additionally, this bill removes regulatory and government mandates that create barriers to transferring waitlisted patients by directing that the Department of Human Services (DHS) make a preliminary or "presumptive determination" to authorize medical assistance in the interval between the application for assistance and the final Medicaid eligibility determination.

The Healthcare Association of Hawaii, Hawaii Disability Rights Center, Hawaii Long Term Care Association, The Queen's Medical Center, Hawaii Pacific Health, and Hawaii Business Roundtable supported this bill. DHS opposed this measure.

Your Committees have amended this bill by:

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

As affirmed by the records of votes of the members of your Committees on 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. 2170, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2170, H.D. 2, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 545-08 Health/Human Services & Housing on H.B. No. 2197

The purpose of this bill is to assist people who carry the financial burdens associated with providing care for a qualified care recipient by providing them with a tax credit up to a \$1,000 based upon their annual adjusted gross income.

The Policy Advisory Board for Elder Affairs, Kokua Council, National Multiple Sclerosis Society, and a concerned individual supported this bill. The Disability and Communication Access Board supported the intent of this measure. The Department of Taxation, Department of the Attorney General, Executive office on Aging (EOA), Tax Foundation of Hawaii, and a concerned individual submitted comments.

Your Committees find that caregivers need more affordable services and financial assistance. To provide some assistance through the tax credit established by this bill, it is estimated that an appropriation of \$43.6 million will be necessary.

Your Committee has amended this bill by:

- (1) Clarifying that the type of information provided by EOA to each person claiming the tax credit should include information about support groups, referral services, training, conferences, community education notices, and a caregiver newsletter;
- (2) Providing that a qualified care recipient may be 18 years of age or older;
- (3) Including disabled persons as qualified care recipients; 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. 2197, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2197, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 546-08 Health/Human Services & Housing on H.B. No. 2315

The purpose of this bill is to ensure access to needed dental services by requiring Medicaid rates of payment to dentists to be based on the 75th percentile of the usual, customary, and reasonable fee established by insurers for services provided by dentists.

The Hawaii Dental Association supported this bill. The Department of Human Services (DHS) submitted comments.

Your Committees heard testimony provided by DHS stating that the increase in payment to dentists provided by this bill will result in an annual cost increase of approximately 43.5 percent or about \$2,900,000, \$1,300,000 of which will be state funds.

Your Committees have amended this bill by changing the effective date to January 1, 2050, to encourage further discussion.

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. 2315, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2315, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 547-08 Health/Human Services & Housing on H.B. No. 2576

The purpose of this bill is to improve the dental health of Hawaii's underserved populations. Specifically, this bill transfers monies received by the State under the Temporary Assistance for Needy Families (TANF) program block grant into the Health Systems Special Fund for community-based dental health clinics of the Hawaii Health Systems Corporation (HHSC) to provide dental services to kupuna, keiki, the developmentally disabled, and the uninsured.

The State Council on Developmental Disabilities and Hawaii Primary Care Association testified in support of this bill. The Department of the Attorney General, Department of Human Services (DHS), and HHSC offered comments.

Your Committees note the concerns raised by the Attorney General regarding TANF, and respectfully request that the Committee on Judiciary examine these issues.

Your Committees have amended this bill by changing the expending agency to DHS.

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. 2576, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2576, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Bertram.

SCRep. 548-08 Health/Human Services & Housing on H.B. No. 2795

The purpose of this bill is to ensure that the community health center system remains financially viable and stable to meet the increasing and changing health care needs of the population of uninsured and underinsured residents by establishing appropriate processes, conditions, and requirements for federally-qualified health centers and rural health clinics to receive supplemental Medicaid payments and seek modifications to their scope of services.

The Hawaii Primary Care Association, Molokai Ohana Health Care, Inc., Molokai Community Health Center, Waikiki Health Center, Hamakua Health Center, Inc., West Hawaii Community Health Center, Inc., Waimanalo Health Center, Waianae Coast Comprehensive Health Center, Kalihi-Palama Health Center, Kokua Kalihi Valley, Bay Clinic, Inc., and numerous concerned individuals supported this bill. The Department of Health and the Department of Human Services submitted comments.

Your Committees have amended this measure by:

- (1) Changing its 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 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. 2795, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2795, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 549-08 Consumer Protection & Commerce on H.B. No. 2573

The purpose of this measure is to increase the workers' compensation medical fee schedule to an unspecified percentage of the fees prescribed in the Medicare Resource Based Relative Value Scale system applicable to Hawaii.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, the Department of Commerce and Consumer Affairs, and the Healthcare Association of Hawaii. The Hawaii State Chiropractic Association and the Hawaii Chapter of the American Physical Therapy Association supported the intent and offered comments. Testimony in opposition to the measure was received from the Hawaii Insurers Council and the American Insurance Association. Comments on the measure were received from the Hawaii Medical Association.

Your Committee finds that current law sets the workers' compensation medical fee schedule at one hundred ten per cent of the fees prescribed in the Medicare Resource Based Relative Value Scale system applicable to Hawaii. Your Committee further finds that the present percentage level is inadequate because the supplemental fee schedule of the Department of Labor and Industrial Relations, based upon the Department's surveys of prevalent charges, currently allows over 1,300 fees above that percentage level. Your Committee finds that increasing the percentage over the Medicare schedule is important to ensure that injured workers will have access to timely medical care.

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. 2573, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

SCRep. 550-08 Consumer Protection & Commerce on H.B. No. 2862

The purpose of this measure is to improve the permitting process required for the timely development of renewable energy resources across the State.

More specifically, the measure sets forth a coordinated and streamlined permitting process for the development of a wind energy project that uses undersea cables to transmit electricity between Hawaii's islands.

Testimony in support of the measure was received from UPC Hawaii Wind. Testimony supporting the intent of the measure was received from the Department of Business, Economic Development, and Tourism, the Department of Health, the Hawaiian Electric Company and its subsidiaries, and Castle & Cooke Hawaii. Life of the Land testified in opposition to the bill.

Your Committee recognizes both the economic and environmental benefits of increased energy self-sufficiency and commends this measure as a step that facilitates the process of permitting wind energy and inter-island electrical transmission systems in Hawaii, which can be a complex undertaking.

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. 2862, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

SCRep. 551-08 Consumer Protection & Commerce on H.B. No. 2863

The purpose of this bill is to establish a renewable energy facility siting process to expedite the review of state and county permits necessary for siting, development, construction, and operation of renewable energy facilities.

Specifically, the measure requires the Director of Business, Economic Development, and Tourism, as the Energy Resources Coordinator to establish a consolidated application process, administer the siting process, and determine permit terms and conditions. The coordinator also approves permits that encompass a number of zoning and permitting functions of state and county regulatory authorities for facilities that have the capacity to produce at least two hundred megawatts of electricity from renewable energy. In addition, the measure requires the Public Utilities Commission to act on rate agreements for non-fossil fuel generated electricity between a renewable energy facility owner and a public utility within thirty days.

Testimony in support of this measure was received by the Department of Business, Economic Development, and Tourism and Castle and Cooke Hawaii. Testimony in opposition to this measure was submitted by the Department of Planning and Permitting of the City and County of Honolulu and the Sierra Club. Comments on this measure were submitted by the Public Utilities Commission and the Kauai County Department of Planning.

Your Committee acknowledges the referring committees' concerns that this measure may:

- (1) Present conflicts with the delegation of certain environmental permitting authority from the United States Environmental Protection Agency to the Department of Health, and that adoption of this measure may require significant changes to state laws and rules if that authority is assigned to the Department of Business, Economic Development, and Tourism;
- (2) Unnecessarily override existing controls at the county level over the siting of renewable energy facilities and diminish the roles of communities and local authorities in establishing their own planning and land use policies; and
- (3) Place unrealistic time constraints on the Public Utilities Commission for the review and analysis of rate agreements.

Upon further consideration, however, your Committee finds that there is a critical need to increase the use of renewable energy in order to reduce the State's dependence on imported fossil fuels for energy generation. Your Committee further finds that the complexity and delays of the existing permitting processes for siting renewable energy facilities have been an impediment to the development and widespread use of renewable energy in the State. Accordingly, your Committee believes that streamlining and expediting this process will result in increased development and use of renewable energy resources.

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. 2863, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

SCRep. 552-08 Consumer Protection & Commerce on H.B. No. 2965

The purpose of this bill is to protect agricultural water supplies by:

- (1) Allowing under certain conditions the diversion of electrical power to public and private agricultural water systems for irrigation of agricultural lands;
- (2) Requiring electric power to be diverted to agricultural pumping facilities to maintain agricultural water security in the event of an emergency declared by the Governor; and

- (3) Establishing the Agricultural Water Security Revolving Fund to fund projects that enhance and ensure the security of agricultural water supplies and irrigation systems.

Kamehameha Schools, Dole Food Company Hawaii, and several concerned individuals 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, Public Utilities Commission, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., submitted comments.

Your Committee has amended this bill by

- (1) Replacing its entire contents with provisions that authorize a person who controls, operates, or manages an agricultural water system to negotiate an agreement for the production of emergency power for the system following a disaster declared by the Governor; and
- (2) Making this bill effective 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 H.B. No. 2965, 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. 2965, H.D. 2.

Signed by all members of the Committee except Representative Sonson.

SCRep. 553-08 Consumer Protection & Commerce on H.B. No. 2001

The purpose of this bill is to increase access to prescription medications, particularly in rural and medically underserved areas, by authorizing the operation of remote dispensing pharmacies.

The Hawaii Medical Service Association and Ho'ola Lahui Hawaii testified in support of this bill. Kaiser Permanente Hawaii supported the intent of this measure. The Board of Pharmacy, Waianae Coast Comprehensive Health Center, and Hawaii Pharmacists Association supported this bill with amendments.

Your Committee has amended this bill by:

- (1) Authorizing the operation of remote dispensing pharmacies in all counties, but prohibiting remote dispensing pharmacies from being operated within ten miles of a pharmacy except in a county with fewer than 100,000 residents; 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. 2001, 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. 2001, H.D. 2.

Signed by all members of the Committee except Representative Sonson.

SCRep. 554-08 Consumer Protection & Commerce on H.B. No. 1598

The purpose of this bill is to expand access to healthcare by establishing a state agency to operate a single-payer universal healthcare insurance system.

The Hawaii County Council testified in support of this bill. The Hawaii Medical Service Association and ILWU Local 142 supported the intent of this measure. The Department of Commerce and Consumer Affairs, Department of Budget and Finance, Hawaii Medical Association, Hawaii Association of Health Plans, and Healthcare Association of Hawaii opposed this bill. The Department of the Attorney General and the Christian Science Committee on Publication for Hawaii submitted comments.

Your Committee has amended this bill by replacing its entire contents with provisions that:

- (1) Establish a captive insurance company to provide medical malpractice insurance coverage to medical doctors of the Hawaii Health Systems Corporation (HHSC);
- (2) Repeal HHSC's authority under section 323F-7(c)(2), Hawaii Revised Statutes (HRS), to form a captive insurer to provide medical malpractice insurance to HHSC medical doctors, which this bill as amended by your Committee is intended to provide; and
- (3) Repeal the following that are intended to be replaced by the provisions of this bill as amended by your Committee:
- (A) HHSC's Captive Insurance Board in section 323F-4.5, HRS, which was established by Act 278, Session Laws of Hawaii 2007 (Act 278), to carry out HHSC's duties and responsibilities in establishing and operating any captive insurance company; and
- (B) The requirement in Act 278 that in organizing a domestic captive insurance company to provide medical malpractice and hospital professional and general liability coverage for HHSC, HHSC must submit a formalized financial plan to the Director of Finance for approval, and a business plan to the Insurance Commissioner.

These new provisions take effect on July 1, 2010, to encourage further discussion.

Your Committee notes that Act 278 appropriated:

- (1) \$6,739,000 in general funds for fiscal year (FY) 2007-2008 for deposit into the Health Systems Special Fund (Fund); and
- (2) \$13,279,000 from the Fund for FY 2007-2008 for HHSC to establish a captive insurance company.

Your Committee respectfully requests the Committee on Finance to explore the feasibility of applying these funds toward implementation of this bill as amended by your Committee.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1598, 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. 1598, H.D. 2.

Signed by all members of the Committee except Representative Sonson.

SCRep. 555-08 Consumer Protection & Commerce on H.B. No. 3107

The purpose of this bill is to protect Hawaii's real estate consumers.

Specifically, this bill:

- (1) Requires sellers to disclose whether a building or structure was built or improved under an owner-builder permit;
- (2) Clarifies that owner-builders must use licensed subcontractors when altering, improving, demolishing, or repairing any building or structure; and
- (3) Establishes penalties for owner-builders who fail to comply with these requirements.

Your Committee received testimony in support of this bill from the Contractors License Board, the Office of Hawaiian Affairs, the Associated Builders and Contractors of Hawaii, and one individual.

Your Committee finds that this bill preserves the right of property owners to construct or make improvements to their property while at the same time protecting the public.

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. 3107, H.D. 1, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Sonson.

SCRep. 556-08 Consumer Protection & Commerce on H.B. No. 2553

The purpose of this bill is to ensure the timely reporting of pawnbroker and secondhand dealer transactions to law enforcement by requiring daily electronic reporting of these activities.

The Honolulu Police Department testified in support of this bill. The Hawaii Pawnbrokers Association and Secondhand Dealers supported the intent of this measure. Kaneohe Pawn, Kamaaina Loan, and the Jewel Masters opposed this bill. Paradise Loan & Jewelry, LLC, and a concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Providing that the administrative fee to offset the costs of the electronic reporting system applies to each pawn transaction, except for pawn transactions of less than \$20 that may be reported manually to the police through the delivery of paper tickets twice a week;
- (2) For pawnbrokers and secondhand dealers who are unable to afford the equipment necessary for daily electronic reporting:
 - (A) Allowing these persons to manually record pawn transactions and report them to the police through the delivery of paper tickets twice a week; and
 - (B) Requiring these persons to pay the administrative fee on pawn transactions of at least \$20 to help offset the administrative costs of the electronic reporting system;

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. 2553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2553, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

SCRep. 557-08 Agriculture/Consumer Protection & Commerce on H.B. No. 1988

The purpose of this bill is to establish the Macadamia Nut Commission (Commission) to develop marketing and promotional programs for the macadamia nut industry in Hawaii.

The Hawaii Macadamia Nut Association supported this bill with amendments. The Department of Agriculture supported the intent of this measure.

In light of testimony submitted on this measure, your Committees have amended this measure by, among other things:

- (1) Clarifying the definition of "processor" or "first handler" to mean any person within the state who engages in the operations of husking, processing, or marketing macadamia nuts, subject to certain other conditions;
- (2) Deleting existing provisions relating to the composition and appointment process for members of the Commission and, instead, requiring:
 - (A) The Commission to consist of nine members appointed by the Chairperson of the Board of Agriculture from a list of nominees submitted by the Board of Directors of the Hawaii Macadamia Nut Association (Board of HMNA); provided that members nominated and appointed shall be members of the Board of HMNA in good standing; and provided further that the members nominated and appointed shall represent the existing membership divisions that have been in place and draw from large and small growers, growing districts, and processors; and
 - (B) The members of the Commission to elect a Commission Chairperson by a majority vote of the members and that each member of the Commission shall serve a term of an unspecified amount of years;
- (3) Deleting existing provisions relating to the purpose, powers, and duties of the Commission, and, instead:
 - (A) Requiring the Commission to administer and manage the collection of the mandatory assessment and to use the revenue collected to accomplish certain strategic objectives relating to macadamia nut research, nutrition, country of origin labeling, and development of a Hawaii industry approach; and
 - (B) Allowing the Commission certain powers relating to its operations and finances;
- (4) Deleting existing provisions relating to the assessment on macadamia nut producers and, instead:
 - (A) Requiring the Commission to, no later than July 1 of each year, establish an assessment for the following macadamia nut season; provided that beginning on July 1, 2008, the assessment shall be one-fifth of one cent per pound of nut in shell at 20 per cent moisture produced by each producer, and an additional one-fifth of one cent per pound of nut in shell at 20 per cent moisture for each processor;
 - (B) Allowing the assessment to be changed by the Commission from time to time only by agreement of 90 percent of the members of the Hawaii Macadamia Nut Association; and
 - (B) Limiting the maximum assessment for any single entity to \$30,000 annually;
- (5) Deleting the authority of the Commission to disclose certain information relating to reports to governmental agencies, financial reports to the Commission or aggregate sales and inventory information, and other information that processors or producer-suppliers request from the Commission; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1988, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1988, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chang, Ito, Luke, Manahan, McKelvey, Morita, Wakai, Ching and Thielen.

SCRep. 558-08 Agriculture/Energy & Environmental Protection on H.B. No. 2261

The purpose of this bill is to establish the Hawaii Farm Renewable Sustainable Energy Loan Program to provide financial assistance to farm producers for on-farm renewable sustainable energy projects.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Hawaiian Electric Company (and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company), Hamakua Springs Country Farm, and a concerned individual supported this bill. The Department of Agriculture supported the intent of this measure and suggested amendments.

Upon further consideration and in light of testimony submitted on this matter, your Committees have amended this measure by deleting its contents and inserting provisions that:

- (1) Incorporate loans for farm sustainable projects into the existing agricultural loan program under Chapter 155, Hawaii Revised Statutes (HRS), and loans for aquacultural sustainable projects into the existing aquacultural loan program under Chapter 219, HRS;
- (2) Establish specific permitted uses and eligibility requirements for the loans for farm sustainable projects and aquaculture sustainable projects; and
- (3) Restrict the loan amounts to \$1,500,000 or 85 percent of the project cost, whichever is lesser, and limit the term of the loans to 40 years.

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. 2261, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2261, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 559-08 Agriculture/Transportation on H.B. No. 2843

The purpose of this bill is to provide additional funding for pest inspections, quarantine, and eradication by:

- (1) Expanding the items subject to the inspection, quarantine, and eradication service fee (inspection fee) to include any freight, including air freight or other means of transporting freight, brought into the state;
- (2) Making the existing inspection fee of \$1 for each twenty-foot equivalent unit per container applicable to marine commercial containers; and
- (3) Establishing that freight transported into the state that is not in a container shall be assessed an inspection fee pursuant to rules.

In addition, this bill requires the Department of Agriculture (DOA) to assess fines for violations through rulemaking.

The Hawaii County Council, Hawaii Audubon Society, Association of Hawaiian Civic Clubs, Maui County Farm Bureau, The Nature Conservancy of Hawaii, Conservation Council for Hawaii, and a concerned individual supported this bill. Horizon Lines, LLC., Alexander & Baldwin, Inc., and Matson Navigation Company, Inc., supported this bill with amendments. The Department of Land and Natural Resources supported the intent of this measure. DOA submitted comments.

Your Committees find that the revenues generated by the inspection fee will help support the DOA's Biosecurity Program to protect our state from pests and invasive species that may be imported into our state. The DOA has indicated it will continue its concerted efforts to obtain federal funding to supplement the funding provided in this measure and from other state sources. Your Committees find that if federal funds are delayed or unavailable, general funds may be used, at least on a temporary basis, to make up for the shortfall.

Upon further consideration, your Committees have amended this measure by:

- (1) Changing the existing \$1 inspection fee for each twenty-foot equivalent unit per marine commercial container to an unspecified fee amount; 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 Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2843, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2843, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Manahan, Nakasone, Sonson, Wakai, Meyer and Pine.

SCRep. 560-08 Agriculture on H.B. No. 2517

The purpose of this bill is to clarify the laws relating to the importation or sale of restricted plants and noxious weeds. Specifically, this bill, among other things:

- (1) Clarifies that restricted plants or any portion thereof shall not be imported into, offered for sale, or sold in the state without a permit issued by rule;

- (2) Clarifies that plants can be placed on the restricted plant list because the plants themselves may be detrimental or potentially harmful; and
- (3) Prohibits the sale or offer of sale within the state of any noxious weeds or any portion thereof.

The Office of Hawaiian Affairs, Department of Land and Natural Resources, The Nature Conservancy of Hawaii, Conservation Council for Hawaii, Coordinating Group on Alien Pest Species, and Sierra Club, Hawaii Chapter, supported this bill. The Department of Agriculture and Hawaii Audubon Society supported this bill with amendments.

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

- (1) Deleting the explicit prohibition on the sale or offer of sale of restricted plants in the state without a permit issued by rule and, instead, allowing DOA to regulate or prohibit the sale of specific plants on the list of restricted plants by rule;
- (2) Clarifying that plants can be placed on the restricted plant list because the plants themselves may be detrimental or potentially harmful to agriculture, horticulture, the environment, or animal or public health;
- (3) Allowing noxious weeds to be imported only for research, by permit, while retaining the prohibition on the sale or offer of sale of noxious weeds in the state;
- (4) Clarifying that any propagative portions of *Salvinia molesta* or *Salvinia minima* and *Pistia stratiotes* plants are prohibited from import or sale within the state; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2517, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 561-08 Agriculture on H.B. No. 2977

The purpose of this bill is to address the coqui frog problem near residential areas by directing the Hawaii Invasive Species Council (HISC), in its required plan, to give priority to eradicating coqui frogs that are on state or county land and within one mile of residential areas.

The Hawaii Audubon Society and the Association of Hawaiian Civic Clubs supported this bill. The Department of Land and Natural Resources supported the intent of this bill. The Office of Hawaiian Affairs opposed this measure. The Department of Agriculture and The Nature Conservancy of Hawaii submitted comments.

Upon further consideration, your Committee has amended this measure by clarifying that HISC, in its coqui frog eradication plan, must give priority to eradicating coqui frogs that are on state or county land and within one mile of residential areas. 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2977, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2977, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

SCRep. 562-08 Agriculture on H.B. No. 3425

The purpose of this bill is to address the problem of apple snail infestation of taro by providing a grant-in-aid to E Kupaku Ka 'Aina – The Hawaii Land Restoration Institute (E Kupaku Ka 'Aina) for:

- (1) Laboratory costs and compensation for taro farmers conducting experiments to improve and protect taro; and
- (2) Documentation and outreach involving Kauai organic cover crop control practices.

The Office of Hawaiian Affairs, Hawaii County Council, E Kupaku Ka 'Aina, Hawaii Crop Improvement Association, Kauai Taro Growers Association, and several concerned individuals supported this bill. The Department of Agriculture (DOA) supported the intent of this bill. The Department of Land and Natural Resources did not support this measure. The Nature Conservancy of Hawaii submitted comments.

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

- (1) Deleting the grant-in-aid to E Kupaku Ka 'Aina and, instead, appropriating funds to DOA for statewide taro research that focuses specifically on the apple snail problem;
- (2) Conforming the findings in the purpose section of the bill to the bill's new focus on the apple snail problem; 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. 3425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3425, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 563-08 Agriculture on H.B. No. 2083

The purpose of this bill is to assist Hawaii's farmers by appropriating funds for the establishment of a state-managed agricultural processing facility, serving multiple users and including kitchen facilities and packaging assistance, for the production of value-added agricultural products.

Hawaii Farm Bureau Federation supported this bill. The Department of Agriculture supported the intent of this measure.

Your Committee recognizes the need for a local processing facility that will assist farmers in developing and selling value-added products. However, concerns were raised regarding the use of the facility for non-agricultural purposes. It is the intent of your Committee that the agricultural processing facility shall only be used for the purposes expressly stated in this bill.

In addition, your Committee respectfully requests the Committee on Finance to consider the area in the vicinity of the previous Del Monte operations in Kunia as a potential location for the agricultural processing facility.

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. 2083 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Wakai.

SCRep. 564-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3301

The purpose of this bill is to protect the fish stocks and coral reef habitats of areas in which the communities rely on nearby subsistence fishery resources by establishing community-based subsistence fishing areas in the shoreline and nearshore waters of the communities of Honaunau and Ho'okena on the island of Hawaii.

The Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, Community Conservation Network, Hanalei Watershed Hui, and numerous concerned individuals testified in support of this bill. Hawaii Tropical Fish Association, RT Distributors, Sea Quest Rafting Adventures, Fair Wind Cruises, Dolphin Discoveries, and numerous concerned individuals opposed this measure. The Department of Land and Natural Resources provided comments.

Your Committee finds that fish stock management and coral reef protection are issues that are better handled and more appropriately resolved by the 'Aha Moku Council (Council), and trusts that the Council will take these matters under consideration upon its establishment.

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. 3301 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 565-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3175

The purpose of this bill is to conform state law to federal law by changing the title of the Hawaii Revised Statutes section relating to reporting requirements for commercial marine fishing catches.

The Department of Land and Natural Resources (DLNR), The Nature Conservancy of Hawaii, and a concerned individual testified in support of this bill. Several concerned individual opposed this measure. A concerned individual provided comments.

Your Committee finds that this section title change is necessary to allow DLNR to require more frequent bottomfish catch monitoring to comply with the annual catch limit mandates in recent amendments to the federal Magnuson-Stevens Act. However, your Committee finds that it is not DLNR's intent to change reporting requirements for the other types of catches.

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. 3175 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 566-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2527

The purpose of this bill is to promote smart growth and sustainability by requiring:

- (1) The Department of Land and Natural Resources (DLNR) to establish a system of greenways and trails; and
- (2) The Office of Planning to coordinate smart growth planning.

The Office of Hawaiian Affairs and Windward Ahupuaa Alliance testified in support of this bill. DLNR, the Office of Planning, and Hawaii Association of REALTORS supported the intent of this measure. The Hawaii Building and Construction Trades Council, AFL-CIO, 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. 2527 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 567-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2687

The purpose of this bill is to require the Department of Land and Natural Resources (DNLR) to conduct a review of any new administrative rules adopted after January 1, 2008, concerning:

- (1) The protection and propagation of introduced and transplanted aquatic life; or
- (2) The conservation and allocation of the natural supply of aquatic life;

and determine whether the rules have achieved their intended purpose.

Hawaii Nearshore Fishermen, Hawaii Tropical Fish Association, and several concerned individuals testified in support of this bill. The Nature Conservancy of Hawaii supported this measure with amendments. The Conservation Council for Hawaii and the Pacific Forum Ocean Law & Policy Institute opposed this bill. DLNR provided comments.

Your Committee has amended this bill by:

- (1) Extending the time between each review after 2009 from three to five years;
- (2) Specifying that the study include lay gill net and bottomfish management rules;
- (3) Providing funding for the study; 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 H.B. No. 2687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2687, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 568-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2704

The purpose of this bill is to preserve and protect the historic and cultural resources of Ha'iku Valley on the island of Oahu by establishing the Ha'iku Valley Cultural Preserve Commission (Commission) to oversee policy and management of the Ha'iku Valley Cultural Preserve (Preserve).

The Ko'olau Foundation, Ko'olaupoko Hawaiian Civic Club, Association of Hawaiian Civic Clubs, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources and Department of Hawaiian Home Lands supported the intent of this measure. The Office of Hawaiian Affairs supported this bill with amendments. Several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Providing for representation of the kupa'aina families living on the kuleana lands in Ha'iku Valley on the Commission; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee finds that Ha'iku Valley is rich in historic and cultural value. The establishment of the Preserve and Commission will help to protect and preserve these cultural resources. To ensure the involvement of the members of the Hawaiian community who know most about the area and will be affected most by the plans, such as those living in the Ha'iku Valley area, in the preservation of the area's traditional and historic resources, the Commission membership should be increased to adequately represent the members of the community.

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. 2704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2704, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 569-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2332

The purpose of this bill is to prohibit persons from transiting unencumbered public lands for any commercial activity without a conservation district use permit.

Specifically, this measure would prohibit persons from passing over or through unencumbered public lands for any commercial activity without first obtaining a conservation district use permit, unless the unencumbered land is within an area that is regulated through a management plan that permits the commercial activity. The measure also establishes specific criteria to be considered by the Board of Land and Natural Resources in determining whether to issue a conservation district use permit to transit unencumbered public lands for the purpose of a commercial activity. Further, the measure establishes fines for violations.

Testimony in support of this measure was submitted by Hawaii's Thousand Friends, Kahea, Hanalei-Ha'ena Community Association, the Conservation Council for Hawaii, and four concerned individuals. Testimony opposed to this measure was received by the Chamber of Commerce of Hawaii and the Ocean Tourism Coalition. The Department of Land and Natural Resources and the Department of Business, Economic Development and Tourism supported the intent, but did not support the measure in its current form.

Your Committee finds that the increased transit across unencumbered public lands for commercial purposes has a detrimental effect on the environment, the land, and nearby communities. However, your Committee recognizes that restrictions on transiting unencumbered public lands must not be so broadly prohibitive as to stifle reasonable use of the land or have unintended consequences for other state goals or policies. Your Committee also finds that the conservation district use permit is used to regulate activities in a conservation district that constitute a land use under Chapter 183, Hawaii Revised Statutes; however, transiting across unencumbered land is not within the definition of "land use", and therefore, regulating transit across public land would be outside the scope of the permit process.

Your Committee further finds that the Board of Land and Natural resources should have the authority to establish penalties that are substantial enough to deter the prohibited use of public lands and adequately redress damages to natural resources that may result from prohibited uses.

Accordingly, your Committee has amended this measure by:

- (1) Restricting the scope of the measure to those unencumbered public lands within the conservation district;
- (2) Including governmental or community-based organizations with the Board of Land and Natural Resources as entities that may approve a management plan that permits a commercial activity within the conservation district;
- (3) Expanding the list of factors that the Board shall consider when determining whether to grant a permit to transit unencumbered public lands in the conservation district for a commercial activity;
- (4) Amending section 171-6(12), Hawaii Revised Statutes, to clarify that persons causing encroachments on public lands are liable for administrative costs and damages resulting from second and subsequent offenses;
- (5) Amending section 171-6(15), Hawaii Revised Statutes, to substantially increase fines for persons engaging in any prohibited use of public lands, conducting any prohibited activity on public lands or violating laws relating to management and disposition of public lands, and to impose fines to redress stolen or damaged natural resources;
- (6) Amending the definition of "land use" in section 183C-2, Hawaii Revised Statutes, to include "the transit of unencumbered lands in the conservation district for the purpose of conducting a commercial activity"; and
- (7) 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 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. 2332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2332, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 570-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 3286

The purpose of this bill is to:

- (1) Permit the mining of sand, rock, gravel, and other materials suitable for use in construction on lands classified as agricultural by persons engaged in mining; and
- (2) Give the Land Use Commission exclusive jurisdiction over these mining activities.

The Hawaii Building and Construction Trades Council, AFL-CIO, and a concerned individual testified in support of this bill.

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. 3286 and recommend that it pass Second Reading and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 571-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2606

The purpose of this bill is to protect and preserve the North Kohala coastline from development by:

- (1) Directing the Department of Land and Natural Resources (DLNR) to petition the County of Hawaii to restrict the use of certain parcels along the North Kohala coastline on the island of Hawaii which are currently classified as agricultural; and
- (2) Prohibiting the County of Hawaii from issuing any special permits or land use, subdivision, building, or other permit to allow development in the specified parcels pending the preparation, filing, and final disposition of the petition.

The Office of Hawaiian Affairs, Council Chair of the Hawaii County Council, Hawaii Audubon Society, Kamakani O Kohala Ohana, Inc., Malama Na Wahi Pana O Kohala, and several concerned individuals testified in support of this bill. A concerned individual supported this measure with amendments. The Hawaii Building and Construction Trades Council, AFL-CIO, and a concerned individual opposed this bill. DLNR did not support this measure. The Department of Agriculture and the Attorney General submitted comments.

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. 2606 and recommend that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Carroll, Herkes, Sagum, Ching and Meyer.

SCRep. 572-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 3374

The purpose of this bill is to establish expedited procedures for a county to reclassify lands to bring the lands into conformance with county land uses in county plans.

The Hawaii County Planning Department and Maui County Council Chair testified in support of this bill. The Office of Planning supported the intent of this measure. The Office of Hawaiian Affairs opposed this bill.

Your Committees have amended this bill by:

- (1) Changing the effective date to June 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 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. 3374, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3374, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee. (Representatives Berg, Morita, Saiki and Thielen voted no.)

SCRep. 573-08 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on H.B. No. 3179

The purpose of this bill is to encourage the local production of organic material to be used to produce renewable energy by amending the definition of "renewable energy producer" to allow growers and producers of organic material to be used primarily for the production of biofuels and other bioenergy resources to be eligible for leases of public land without the necessity of a public auction.

The Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill.

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 H.B. No. 3179 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sagum.

SCRep. 574-08 Human Services & Housing on H.B. No. 3211

The purpose of this bill is to reduce our dependence on electricity produced by fossil fuels by providing an alternative to our reliance on electric clothes dryers. This bill allows the use of clotheslines by owners of privately-owned single family residences and townhouses.

The Sierra Club, Hawaii Chapter, and Windward Ahupuaa Alliance testified in support of this bill. An individual opposed this measure.

Your Committee has amended this bill by:

- (1) Prohibiting rules relating to the placement of clotheslines from being unduly or unreasonably restrictive;
- (2) Deleting the provision allowing reasonable regulation of the location of clotheslines necessary to protect access to buildings and the ability to evacuate buildings during emergencies; 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3211, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 3211, H.D. 1.

Signed by all members of the Committee.

SCRep. 575-08 Human Services & Housing on H.B. No. 2797

The purpose of this bill is to support the development of a homeless shelter in West Hawaii by appropriating \$12,000,000 for the design, planning, and construction of the Kaloko Housing Program.

The Hawaii Public Housing Authority, Mayor of the Island of Hawaii, County of Hawaii Office of Housing and Community Development, Hawaii County Council, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Catholic Charities Hawaii, Community Alliance Partners, and numerous 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. 2797 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 576-08 Human Services & Housing on H.B. No. 2662

The purpose of this bill is to encourage the development of rental and for-sale affordable housing in the state by exempting from certain state and county affordable housing requirements, new multi-family housing condominium developments of 50 units or more per acre on privately-owned lands, including:

- (1) Exempting them from shared appreciation requirements; and
- (2) Reducing the 10-year occupancy requirements to three years.

Central Pacific Bank, Marshall Realty, Inc., Island-Waipahu, LLC, and a few concerned individuals testified in support of this bill. The Hawaii Housing Finance and Development Corporation, Department of Planning and Permitting of the City and County of Honolulu, Department of Community Services of the City and County of Honolulu, Office of Housing and Community Development of the County of Hawaii, and Kauai County Housing Agency opposed this measure.

Your Committee recognizes that the intent of this bill is to facilitate affordability of housing in urban core and high density areas. For this reason, your Committee has amended this bill to require developments to have 75 units, rather than 50 units, or more per acre to qualify for the exemptions.

Your Committee has also amended this bill by:

- (1) Requiring that the developments be privately financed without federal, state, or county financing assistance or subsidies;
- (2) Removing rental housing developments and developments on lands owned temporarily by the State or any county from qualifying for the exemptions; and
- (3) Deleting the provision that affordable housing developments are not required to be on the same land as the required market-priced housing development.

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. 2662, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2662, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 577-08 Human Services & Housing on H.B. No. 2666

The purpose of this bill is to support the development of affordable rental housing by establishing a transferable affordable rental housing donation tax credit for certain taxpayers who make donations to the Rental Housing Trust Fund or for the development of affordable rental housing projects.

EAH Housing testified in support of this bill. The Hawaii Housing Finance and Development Corporation supported the intent of this measure. The Department of Taxation (DOTAX) and Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests the Committee on Finance to examine issues raised by DOTAX and the Tax Foundation of Hawaii in their written testimony.

Your Committee has amended this bill by:

- (1) Limiting the measure to rental housing affordable to households at or below 80 percent of the area median income;
- (2) Expanding the definition of "affordable rental housing project" to include projects subject to a federal regulatory agreement;
- (3) Expanding the development of an affordable rental housing project to include the acquisition or rehabilitation of existing affordable rental housing projects;
- (4) Extending the lapse period to the end of the eighth taxable year, instead of the end of the fifth taxable year; 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. 2666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2666, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 578-08 Human Services & Housing on H.B. No. 2897

The purpose of this bill is to require the Department of Human Services (DHS) to establish a three-year pilot project to conduct and expand asset-building classes for individuals with disabilities and parents of children with disabilities.

DHS and the State Council on Developmental Disabilities supported the intent of this bill. The State Procurement Office provided comments.

One testifier stated that approximately 44 percent of Temporary Assistance for Needy Families (TANF) recipients are individuals with disabilities who may have more difficulty satisfying TANF requirements. More screening of TANF recipients with disabilities is necessary to determine the needs of these individuals.

Your Committee urges DHS to consider reasonable services not currently offered to TANF recipients with disabilities and to conduct an evaluation and inventory of existing services to determine if there is a need to establish additional services for this population.

Your Committee has amended this bill by:

- (1) Referencing a more appropriate procurement law for asset-building services; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2897, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 579-08 Human Services & Housing on H.B. No. 2904

The purpose of this bill is to support the development of affordable housing by establishing the Infrastructure Development Revolving Fund (Revolving Fund) to provide no-interest loans for costs associated with building affordable housing.

The Land Use Research Foundation of Hawaii testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting, BIA-Hawaii, and The Chamber of Commerce of Hawaii supported this measure with amendments. The Hawaii Housing Finance and Development Corporation (HHFDC) opposed this bill. The Department of Budget and Finance and City and County of Honolulu Department of Community Services provided comments.

Your Committee has amended this bill by:

- (1) Removing provisions that required HHFDC to plan, develop, and construct infrastructure necessary to build affordable housing projects;
- (2) Specifying that the use of the Revolving Fund not be limited to projects built under HHFDC's expedited process, as long as at least 30 percent of the units in the project are low-cost housing; 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. 2904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2904, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 580-08 Human Services & Housing on H.B. No. 2707

The purpose of this bill is to establish a preference for grandparents for out-of-home placement of children involved in child protective proceedings.

The Department of Human Services (DHS), Office of Hawaiian Affairs, Maui County Executive on Aging, Parents for Righteousness, Tutu and Me, Partners In Development Foundation, Na Tutu, Catholic Charities Hawaii, and several concerned individuals testified in support of this bill. The Executive Office on Aging and Foster Family Programs of Hawaii supported the intent of this measure. The Legal Aid Society of Hawaii provided comments.

Your Committee has amended this bill by replacing its contents with provisions that:

- (1) Expand the scope of preference for out-of-home placement of children to include relatives;
- (2) Define "relative" to include lawe hanai parents or blood-related hanai parents, or hanai parents based on written or oral designation by the child or child's blood relatives, who are willing and able to provide support to the child and the family; and
- (3) Require DHS to:
 - a. Identify all relatives within six months of assuming foster custody of the child; and
 - b. Respond to inquiries from relatives with regard to their potential as foster placement.

Your Committee urges all stakeholders to propose a due process procedure, including "paper trail" documentation, that would adequately protect a relative's right to request to participate in the child protective service proceedings regarding the child.

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. 2707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2707, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 581-08 Human Services & Housing on H.B. No. 2708

The purpose of this bill is to ensure the best interests of the child by allowing grandparents to be a party to certain child protective hearings.

The Department of Human Services (DHS), Executive Office on Aging, Office of Hawaiian Affairs, Partners In Development Foundation, Na Tutu, Catholic Charities Hawaii, Maui County Executive on Aging, Parents for Righteousness, Tutu and Me, and many concerned individuals testified in support of this bill. Foster Family Programs of Hawaii supported the intent of this measure. The Legal Aid Society of Hawaii provided comments.

Your Committee finds that current law makes foster parents the automatic parties to Child Protective Services court actions from the start. The original bill would have granted automatic party status to grandparents. The rationale for this is that Chapter 587, Hawaii Revised Statutes, requires DHS to make a bona fide attempt at parental reunification before exploring alternatives. Furthermore, a recent Supreme Court decision found that it is unconstitutional to give grandparents rights that would contravene a parent's wishes in regards to a child. Thus, your Committee believes it would be prudent to level the playing field for foster parents and relatives as they compete with the rights of the child's natural parents. With this in mind, your Committee has amended this bill to:

- (1) Expand its scope to include relatives, including persons related by blood, lawe hanai parents, or hanai parents, who are willing and able to provide support to the child and the family;
- (2) Require DHS to identify all relatives within six months of assuming foster custody of the child;
- (3) Require DHS to consider relatives when determining child placement;
- (4) Require relatives to be notified of child protective hearings; and
- (5) Limit identified relatives to receiving notice of, participating in, and providing information to the court and all other parties during, child protective hearings.

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

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

Signed by all members of the Committee.

SCRep. 582-08 Human Services & Housing on H.B. No. 3362

The purpose of this bill is to require that minors at least 15 years-of-age be tried as an adult for committing the offenses of murder in the first and second degree and sexual assault in the first and third degrees.

Many individuals testified in support of this bill. The Office of the Public Defender and several concerned individuals opposed this measure. The Judiciary provided comments.

Your Committee respectfully requests the Committee on Judiciary to examine constitutional due process and other legal issues raised by this measure.

Your Committee has amended this bill by:

- (1) Limiting the measure only to the murder offenses; and
- (2) Clarifying that minors subject to these provisions should be held in a youth correctional facility.

Other technical, nonsubstantive amendments were 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. 3362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3362, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 583-08 Human Services & Housing on H.B. No. 3372

The purpose of this bill is to allow the Family Court to vest custody of a minor, who committed the offense of murder in the first and second degrees or sexual assault in the first degree, in a youth correctional facility until the minor reaches the age of 18, at which time the individual will be transferred to the Director of Public Safety to be imprisoned until the person reaches the age of 26.

The Department of Public Safety provided comments.

Your Committee recommends that the Office of Youth Services should testify at future hearings on this matter.

Your Committee has amended this bill by:

- (1) Removing some of the provisions relating to minimum terms of imprisonment and parole;
- (2) Clarifying that minors under this measure may be housed in an adult correctional facility; 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. 3372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3372, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 584-08 Human Services & Housing on H.B. No. 2380

The purpose of this bill is to provide homeless assistance by appropriating funds for:

- (1) The acquisition of land for homeless shelters; and
- (2) Containers, tents, and other types of temporary shelter.

The Office of Hawaiian Affairs testified in support of this bill. The Hawaii Public Housing Authority supported the intent of this measure.

The intent of this measure is to establish legalized campgrounds to alleviate the homeless crisis. Your Committee participated in discussion with testifiers regarding community meetings held on the Leeward Coast that were organized over several years, where the Honolulu Police Department stated their support of this concept.

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. 2380 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 585-08 Human Services & Housing on H.B. No. 2551

The purpose of this bill is to find solutions to homelessness by requiring the Hawaii Public Housing Authority to conduct a study on the feasibility of implementing a variety of homeless solutions.

The Office of Hawaiian Affairs testified in support of this bill. The Hawaii Public Housing Authority 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 H.B. No. 2551 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 586-08 Human Services & Housing on H.B. No. 3059

The purpose of this bill is to improve existing incentives for the development of affordable housing by shortening the period over which the low-income housing tax credit may be taken from ten years to five years.

The Hawaii Housing Finance and Development Corporation, Hawaii Association of REALTORS, and EAH Housing supported this bill. The Tax Foundation of Hawaii submitted 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. 3059 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 587-08 Human Services & Housing on H.B. No. 2668

The purpose of this bill is to make a variety of changes to Hawaii's housing laws, including:

- (1) Transferring from the Department of Budget and Finance (B&F) to the Hawaii Housing Finance and Development Corporation (HHFDC), the responsibility for administering the issuance of special purpose revenue bonds for low- and moderate-income housing projects;
- (2) Transferring entirely to the state, the private activity bond volume cap and allocating 80 percent of the cap to HHFDC and 20 percent to B&F;
- (3) Requiring only grants to be made from the Rental Housing Trust Fund (RHTF) as equity gap financing; and
- (4) Making permanent the 50 percent conveyance tax allocation to the RHTF.

B&F, HHFDC, the Hawaii Association of REALTORS, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by replacing its contents with provisions that require public housing projects and all housing projects administered or held by the Hawaii Public Housing Authority to remain affordable in perpetuity.

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. 2668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2668, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 588-08 Human Services & Housing on H.B. No. 2990

The purpose of this bill is to make homeownership more affordable by establishing the Affordable Housing Loan Revolving Fund (Revolving Fund) to provide home loans to eligible borrowers.

The Hawaii Housing Finance and Development Corporation and Land Use Research Foundation opposed this bill. The Department of Budget and Finance provided comments.

Your Committee received testimony suggesting that another incentive to provide more affordable housing is to relax some of the subdivision standards for affordable housing developments that are a contributing cost factor to the price of homes.

Your Committee has amended this bill by:

- (1) Allowing in-lieu fees received by the counties from developers to be deposited into the Revolving 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. 2990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2990, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 589-08 Human Services & Housing on H.B. No. 3401

The purpose of this bill is to increase the supply of housing affordable to the general workforce by establishing the Incentive and Streamlining Grants Program to streamline the application process for building, construction, or development-related permits.

Housing Hawaii testified in support of this bill. The Office of Planning (OP) supported the concept of this measure. The Building Industry Association of Hawaii and The Chamber of Commerce of Hawaii supported this bill with amendments. The Department of Budget and Finance provided comments.

Your Committee has amended this bill by:

- (1) Requiring OP to establish an incentive to participating counties that improves the processing of permits for workforce housing by prioritizing and providing funding for state regional infrastructure projects that are consistent with that county's growth management plans; and
- (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. 3401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3401, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 590-08 Human Services & Housing on H.B. No. 3403

The purpose of this bill is to promote the development of affordable housing through self-help housing programs by establishing a Self-Help Housing Technical Assistance Trust Fund for technical assistance costs, capped at \$20,000 per unit, associated with self-help housing projects in the state.

The Hawaii Island Community Development Corporation, Hawaii Habitat for Humanity Association, and Self-Help Housing Corporation of Hawaii testified in support of this bill. The Hawaii Housing Finance and Development Corporation (HHFDC) opposed this measure. The Department of Budget and Finance (B&F) provided comments.

Your Committee respectfully requests the Committee on Finance to examine the concerns about funding raised by HHFDC and B&F in their written testimony. The \$5,000,000 appropriation contained in this measure could result in the development of an additional 50 units in one year.

Your Committee has amended this bill by:

- (1) Expanding its scope to include land acquisition and infrastructure costs;
- (2) Changing the name of the fund to the "Self-Help Housing Trust Fund" (Trust Fund);
- (3) Specifying that eligible organizations offer self-help housing services in the state and have an option on the land they intend to develop;
- (4) Appropriating \$5,000,000 to the Trust Fund; 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. 3403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3403, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 591-08 Human Services & Housing/Health on H.B. No. 3229

The purpose of this bill is to expand services to Medicaid and QUEST participants by adding chiropractic services as a benefit.

The Hawaii State Chiropractic Association testified in support of this bill. The Department of Human Services (DHS) did not support this measure. The Hawaii Medical Association opposed this bill.

Your Committees note DHS's testimony which states that to receive federal reimbursement, DHS would have to submit an amendment to the Hawaii State Medicaid Plan for approval by the federal Centers for Medicare and Medicaid Services (CMS).

Accordingly, your Committees have amended this bill by:

- (1) Requiring DHS to submit a request to CMS to amend the State Medicaid Plan prior to implementation of the additional benefits for chiropractic services;
- (2) Requiring DHS to submit a request for additional funds, if necessary, needed to add chiropractic services as a benefit to Medicaid and QUEST participants, upon receiving approval by CMS;
- (3) Removing the appropriation; 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. 3229, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3229, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Shimabukuro.

SCRep. 592-08 Consumer Protection & Commerce on H.B. No. 3275

The purpose of this bill is to enhance the law allowing exemptions from the contractor licensing law for owner-builders who build or improve their property for their own use, by:

- (1) Increasing from one to two years after the closing of the building permit, the restriction on post-construction sales or leases of exempted structures;
- (2) Exempting owner-builders from the post-construction sale or lease restriction in the event of any of the following unforeseen circumstances:
 - (A) The death of the owner's spouse or home co-owner;
 - (B) The owner becoming eligible to receive unemployment compensation; or
 - (C) The divorce of the owner;

and

- (3) Making owner-builder permits available once every three years instead of two years.

The Building Industry Association of Hawaii, HSI Mechanical, Inc., and a concerned individual testified in support of this bill. The Contractors License Board supported the intent of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this bill by:

- (1) Restoring the current time restrictions on post construction sales and leases and the availability of owner-builder permits;
- (2) Expressly prohibiting sales and leases of exempted structures prior to the closing date of the building permit;
- (3) Allowing multiple projects on the same property to qualify as a single exemption for purposes of the time restriction on the availability owner-builder permits; 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 H.B. No. 3275, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3275, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Thielen.

SCRep. 593-08 Public Safety & Military Affairs/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2543

The purpose of this bill is to increase the availability of safe, recreational shooting by appropriating an unspecified amount of funds to plan, design, and construct a shooting range in West Hawaii on the Island of Hawaii.

The County of Hawaii, Hawaii County Council, Hawaii Island Public Shooting Range Working Group, Valley Isle Sport Shooters, Hawaii Rifle Association, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources commented on this measure.

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 are in accord with the intent and purpose of H.B. No. 2543 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, Luke, Nakasone, Saiki, Souki and Thielen.

SCRep. 594-08 Health on H.B. No. 2271

The purpose of this bill is to assist Castle Medical Center, and one or more of its nonprofit affiliates, to finance and refinance equipment purchases and for the construction and improvement of health care facilities by authorizing the issuance of special purpose revenue bonds.

The Healthcare Association of Hawaii, Castle Medical Center and its governing board, and a concerned individual supported this bill. The Department of Budget and Finance 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. 2271 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 and Shimabukuro.

SCRep. 595-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2159

The purpose of this bill is to appropriate funds for the Natural Energy Laboratory of Hawaii Authority (NELHA) to prepare an environmental impact statement (EIS) to support the reclassification of an 83-acre parcel of land in the County of Hawaii from conservation to urban.

Cyanotech and a concerned individual testified in support of this bill. NELHA submitted comments.

Your Committees find that the subject parcel must be reclassified to enable the continued development and expansion of NELHA and consequently the research and deployment of alternative energy resources. During the 1980's, Hawaii Ocean Sciences and Technology Park (HOST) acquired the subject property from the then developer of O'oma, who agreed to conduct an EIS for the subject property. The EIS was never completed. Subsequently, HOST and the Natural Energy Laboratory of Hawaii combined to form NELHA. Your Committees find that conducting an EIS is a matter of urgency, while the matter of seeking the answer to "why" the EIS was never conducted must be relegated to a lower priority.

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 are in accord with the intent and purpose of H.B. No. 2159 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sagum.

SCRep. 596-08 Energy & Environmental Protection on H.B. No. 3213

The purpose of this bill is to align financial incentives with policies that establish societal and sustainability goals such as clean air. This bill eliminates a disincentive to pollution by removing the 4,000-ton emissions cap for which fees are levied.

The Sierra Club Hawaii Chapter testified in support of this bill. The Department of Health opposed this measure.

Your Committee finds that the current system of assessing fees against a covered source permit holder on the basis of a cost-per-ton of regulated air pollutants produced by the covered source, with a cap of 4,000 tons per year, is counter-productive in decreasing air pollutants. The covered sources producing in excess of 4,000 tons per year of pollutants have no incentive to reduce their pollutant tonnage below the cap of 4,000 tons, the point at which maximum annual fees are charged. Further, the 4,000-ton per year cap is inequitable to smaller covered source permit holders. The amended fee schedule could add approximately \$220,000 in funds which can be used to advance policies and programs to further reduce air pollution and greenhouse gas emissions to the benefit of our 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. 3213 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 597-08 Energy & Environmental Protection on H.B. No. 2504

The purpose of this measure is to promote good energy and environmental practices with respect to lighting.

Specifically, this measure takes steps to:

- (1) Phase out and ban the use of energy-inefficient lighting products with lead and high mercury content;
- (2) Establish a statewide lighting efficiency standard for general purpose lights; and
- (3) Direct the Department of Health to develop a statewide recycling program for recycling fluorescent bulbs containing mercury.

The Department of Education; Sierra Club, Hawaii Chapter; and Hawaiian Electric Company, Inc. submitted testimony in support of this measure. The National Electrical Manufacturers Association submitted testimony in support of the intent of this measure. The Department of Health submitted testimony in opposition to this measure. The Department of the Attorney General submitted comments.

Your Committee finds that this measure will advance Hawaii's energy self-sufficiency goals by increasing the use of energy-efficient lighting and reducing our potential exposure to hazardous materials. Establishing an efficiency standard for general purpose lights will help consumers make better energy purchasing decisions at reduced costs in the long run.

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

- (1) Exempting high output and very high output linear fluorescent lamps greater than thirty-two millimeters in diameter and preheat linear fluorescent lamps from the general purpose lights ban;
- (2) Providing that, beginning January 1, 2014, the Department of Health shall determine, in consultation with companies that manufacture the lamps, whether high output and very high output linear fluorescent lamps greater than thirty-two millimeters in diameter and preheat linear fluorescent lamps should be banned, as well;
- (3) Accelerating the lighting efficiency standards implementation date from January 1, 2016, to January 1, 2014; and
- (4) Directing the Department of Health to develop a statewide recycling program for recycling all fluorescent lamps, including mercury-containing compact fluorescent bulbs.

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. 2504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2504, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 598-08 Energy & Environmental Protection on H.B. No. 2505

The purpose of this measure is to fund the establishment of a renewable energy facilitator position in the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association and the Hawaii Renewable Energy Alliance. Your Committee received testimony in support of the intent of the measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that a renewable energy facilitator would facilitate the efficient permitting of renewable energy projects and provide:

- (1) A centralized permitting information resource to assist agencies and applicants with information gathering;
- (2) Efficient strategies for a one-stop permit shop for renewable energy projects; and
- (3) Shorter development timeframes for renewable energy projects.

Your Committee has amended the measure by:

- (1) Clarifying the duties and responsibilities of the renewable energy facilitator position; and
- (2) Making technical amendments that have no substantive effect.

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. 2505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2505, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 599-08 Energy & Environmental Protection on H.B. No. 2552

The purpose of this bill is to encourage the development of renewable energy in Hawaii by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to develop a model ordinance for renewable energy projects to help the counties plan for renewable energy project development within their jurisdictions.

Hawaii Solar Energy Association (HSEA) supported this bill. Hawaii Renewable Energy Alliance and Covanta Energy Group supported the intent of this measure with amendments. DBEDT submitted comments.

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

- (1) Clarifying the findings and purpose section to more accurately reflect the substance matter and scope of this measure;
- (2) Under the list of required duties for DBEDT in developing the model ordinance:
 - (A) Clarifying that DBEDT shall identify the types and sizes of renewable energy that are suitable for residential use or small scale application in the urban district or other areas under the exclusive jurisdiction of a county;
 - (B) Deleting the Department of Land and Natural Resources (DLNR); DLNR Forestry and Wildlife Division; Office of Environmental Quality Control; Board of Land and Natural Resources; Land Use Commission; and the Natural Energy Laboratory of Hawaii Authority, from the list of entities that DBEDT is required to collaborate with, and adding HSEA to this list;

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

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2552, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sagum.

SCRep. 600-08 Energy & Environmental Protection on H.B. No. 2501

The purpose of this bill is to prevent and control the spread of pests and other illegal organisms by establishing and funding a Biosecurity Program (Program) in the Department of Agriculture (DOA).

DOA, Department of Transportation, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, Horizon Lines, LLC, Conservation Council for Hawaii, The Nature Conservancy of Hawaii, Coordinating Group on Alien Pest Species, and Sierra Club, Hawaii Chapter, testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure.

Among other things, this bill:

- (1) Establishes the objectives for the Program and identifies general actions to achieve these objectives;
- (2) Authorizes DOA to impose charges for the inspection of cargo to offset the cost of the Program; and
- (3) Requires the annual submittal of proposed appropriations necessary to effectively operate the Program compared to actual appropriations and expenditures.

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. 2501, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sagum.

SCRep. 601-08 Energy & Environmental Protection on H.B. No. 3150

The purpose of this bill is to clarify the reporting requirements for hazardous and extremely hazardous substances in the Emergency Planning and Community Right-to-Know Act.

The Department of Health, Honolulu Fire Department, Honolulu Local Emergency Planning Committee, Kauai Fire Department, and Campbell Local Emergency Action Network supported this bill.

Your Committee has amended this bill by:

- (1) Clarifying that for extremely hazardous substances only, the presence of the substance at certain facilities in amounts not less than 500 pounds or the threshold planning quantity for that substance, whichever is less, shall trigger reporting 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3150, 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. 3150, H.D. 2.

Signed by all members of the Committee except Representative Sagum.

SCRep. 602-08 Energy & Environmental Protection on H.B. No. 2503

The purpose of this bill is to permit the use of lands in agricultural land use districts for agricultural-energy facilities when the production, storage, and distribution of renewable energy are integrated with an agricultural activity.

Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Department of Agriculture supported the intent of this measure. The Hawaii Agriculture Research Center submitted comments.

Your Committee finds that the tight organizational linkage between:

- (1) The agricultural-energy facility;
- (2) The operator of the facility; and
- (3) The minimum area that is required to be placed into feedstock production,

may result in the inadvertent exclusion of similar but not qualifying agriculture-based renewable energy concepts from consideration as permissible uses, and believes that this bill should be made broader to cast a wider net to encompass these similar uses to allow and encourage more agriculture-based renewable energy alternatives.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2503 and recommends that it pass Second Reading and be referred to the Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture.

Signed by all members of the Committee except Representative Sagum.

SCRep. 603-08 Energy & Environmental Protection on H.B. No. 3001

The purpose of this bill is to provide relief from noise pollution by creating a cause of action for excessive noise for injunctive relief and damages.

Several concerned individuals testified in support of this bill. The City & County of Honolulu Downtown Neighborhood Board No. 13 supported the intent of this measure. The General Contractors Association of Hawaii and the Animal CARE Foundation opposed this bill. Several concerned individuals submitted comments.

Your Committee finds that the issues relating to judicial relief is within the purview of the Committee on Judiciary and should be considered in detail in that Committee.

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. 3001 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Sagum. (Representative Thielen voted no.)

SCRep. 604-08 Energy & Environmental Protection on H.B. No. 2550

The purpose of this measure is to encourage the adoption of eligible renewable energy technologies by raising the net energy metering limits.

Specifically, this measure:

- (1) Increases the total rated generating capacity produced by eligible customer-generators as a percentage of an electric utility's system peak demand;
- (2) Increases the maximum capacity of an eligible customer-generator; and
- (3) Requires the Public Utilities Commission to adopt rules that incorporate best practices interconnection standards for renewable energy generating facilities.

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

- (1) Deleting its substance; and
- (2) Requiring the Public Utilities Commission to ensure that a percentage of the total rated generating capacity produced by the eligible customer-generators be reserved for electricity produced by eligible residential or small commercial customer-generators.

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. 2550, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2550, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 605-08 Labor & Public Employment on H.B. No. 2017

The purpose of this bill is to amend the workers' compensation law to require that a vocational rehabilitation provider first determine if modified or other work suitable for gainful employment with the employee's present employer is available before pursuing employment opportunities with another employer or providing training to obtain employment in another occupational field.

The Department of Labor and Industrial Relations (DLIR), Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, the International Association of Rehabilitation Professionals, and Vocational Management Consultants, Inc., testified in support of this measure.

Act 11, Special Session Laws of 2005, codified DLIR's administrative rule Section 12-14-5 relating to vocational rehabilitation within Section 386-25, Hawaii Revised Statutes. In doing so, the logical first step of trying to place an injured worker in a position within their company of present employment was omitted. This measure corrects this oversight and will allow employees who are injured at work to remain employed with the same employer.

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. 2017 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 606-08 Human Services & Housing on H.B. No. 2813

The purpose of this bill is to require the Hawaii Public Housing Authority (HPHA) to conduct a study on creating incentives for public housing tenants to transition into permanent housing.

Several concerned individuals testified in support of this bill. HPHA provided comments.

Your Committee has amended this bill by:

- (1) Removing the study component relating to using a portion of section 8 or other rental assistance subsidies to transition to homeownership;
- (2) Adding provisions to the study including the possibility of increasing the caps on maximum allowable rent, eviction of tenants who exceed the income limits, and methods of addressing repair and maintenance of vacant units;
- (3) Requiring a copy of the report be sent to members of Hawaii's congressional delegation; 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. 2813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2813, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 607-08 Public Safety & Military Affairs on H.B. No. 2539

The purpose of this bill is to require the Department of Public Safety (DPS), in consultation with the Department of Human Services, to develop a training curriculum for its employees to gain an understanding of ethnic and cultural diversity and its implications for working with adult offenders of various ethnic backgrounds and their families.

The Office of Hawaiian Affairs and Community Alliance on Prisons 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 H.B. No. 2539 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, Lee, Luke, Nakasone and Souki.

SCRep. 608-08 Public Safety & Military Affairs on H.B. No. 2988

The purpose of this bill is to honor the sacrifices made by those who serve this country in the armed forces by providing a \$1,000 tax credit to Hawaii National Guard members who have been ordered into federal active duty for at least 180 consecutive days, including at least 30 days in a combat zone or qualified hazardous duty area.

The Department of Taxation and a concerned individual supported this bill. The Department of Defense supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2988 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, Lee, Luke, Nakasone and Souki.

SCRep. 609-08 Public Safety & Military Affairs on H.B. No. 2963

The purpose of this bill is to support recovery efforts from the 2006 earthquake disaster by appropriating funds for structural and nonstructural earthquake recovery and mitigation projects; provided that the projects include measures with a multi-hazard approach to ensure survivability during future disasters.

An individual testified in support of this bill. The Department of Defense supported the intent 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. 2963 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, Lee, Luke, Nakasone and Souki.

SCRep. 610-08 Public Safety & Military Affairs on H.B. No. 1989

The purpose of this bill is to provide resources for our veterans by:

- (1) Providing for the acceptance of gifts and other property by the Office of Veterans' Services (OVS) to assist OVS in its mission to serve veterans; and
- (2) Authorizing the creation of a Veterans' Gift Trust Fund (Trust Fund) within the state treasury.

OVS supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Establishing the Trust Fund within the state treasury;
- (2) Restricting all expenditures from the Trust Fund for the support of veterans, including Hawaii state veterans' home programs;
- (3) Requiring OVS to submit financial information to the Legislature and Governor at least 20 days before the convening of each regular session, beginning with the regular session of 2009;
- (4) Requiring the director of OVS to retain for three years documents and other materials related to the Trust Fund; 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. 1989, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1989, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, Luke, Nakasone and Souki.

SCRep. 611-08 Public Safety & Military Affairs on H.B. No. 2530

The purpose of this bill is to assist law enforcement in its efforts to combat the illegal manufacturing of methamphetamine by requiring the Narcotics Enforcement Division of the Department of Public Safety (DPS) to maintain an electronic purchase logbook for sales of products containing pseudoephedrine.

A concerned individual supported this bill. DPS supported the intent of this measure. A concerned individual opposed this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2530, 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. 2530, H.D. 2.

Signed by all members of the Committee except Representatives Har, Lee, Luke, Nakasone and Souki.

SCRep. 612-08 Public Safety & Military Affairs/Human Services & Housing on H.B. No. 2764

The purpose of this bill is to ensure the well-being of children of incarcerated parents and support their needs by establishing the Bill of Rights for Children of Incarcerated Parents.

The Hawaii Youth Services Network, Task Force on Children of Incarcerated Parents, and several individuals testified in support of this bill. The Office of Hawaiian Affairs, Community Alliance on Prisons, and The Drug Policy Forum of Hawaii supported this measure with amendments. The Department of Human Services opposed this bill, and the Department of Public Safety offered comments.

Your Committees have amended this bill by:

- (1) Inserting a defective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committees note that this Bill of Rights states the goals and objectives to protect these children.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military 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. 2764, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2764, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Har, Luke, Mizuno, Nakasone and Shimabukuro.

SCRep. 613-08 Public Safety & Military Affairs/Human Services & Housing on H.B. No. 2763

The purpose of this bill is to require the Department of Public Safety (DPS) and Department of Human Services (DHS) to re-establish the Children of Incarcerated Parents Task Force so it can continue to:

- (1) Develop programs and services to aid children of incarcerated parents;
- (2) Strengthen the family bond; and
- (3) Help break cycles of crime and violence.

The Office of Hawaiian Affairs, Drug Policy Forum of Hawaii, Community Alliance on Prisons, Hawaii Youth Services Network, and several concerned individuals supported this bill. DPS supported the intent of this measure. DHS and the Office of Youth Services submitted comments.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military 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. 2763 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, Har, Luke, Mizuno, Nakasone, Nishimoto, Shimabukuro and Pine.

SCRep. 614-08 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2066

The purpose of this bill is to ensure that effective state policies will be in place that preserve public and officer safety and appropriate training of state law enforcement officers to successfully address crime in Hawaii by:

- (1) Repealing the exemption from civil service of the first and second deputy sheriff; and
- (2) Requiring the deputy director for law enforcement and the sheriff to be graduates of a law enforcement academy.

Numerous concerned individuals supported this bill. The Department of Public Safety opposed this measure.

Your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive 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. 2066, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2066, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, Luke and Nakasone.

SCRep. 615-08 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2790

The purpose of this bill is to improve recruitment and retention of adult corrections and youth corrections officers and provide a fair balance of benefits among law enforcement personnel by:

- (1) Allowing adult corrections and youth corrections officers to receive a retirement benefit unreduced for age after at least 25 years of credited service, of which the last five or more years prior to retirement is credited service in that capacity; and
- (2) Increasing the percentage of required contributions to the Employees' Retirement System (ERS) Hybrid Plan for adult corrections and youth corrections officers.

The United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this bill. The Department of Budget and Finance and ERS Board of Trustees opposed this measure. The Department of Public Safety and Department of the Attorney General (AG) submitted comments.

Corrections officers provide a vital service to the people of Hawaii, with many suffering the same stresses and hazards of other law enforcement officers. As such, these officers should be afforded the same retirement benefits as other public safety officers. Not only will these benefits allow for the retention of qualified personnel, but it will also help in attracting recruits.

However, your Committees note that allowing corrections officers to retire after 25 years of service may also reduce the number of officers currently employed. Thus, it should be stipulated that a corrections officer must also reach a minimum age before being afforded this benefit. Your Committees also note the concerns raised by the AG regarding the title of this bill.

Your Committees have amended this measure by:

- (1) Requiring that adult corrections and youth corrections officers attain the age of 55 before being eligible to retire with an unreduced retirement benefit;
- (2) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2790, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2790, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, Luke and Nakasone.

SCRep. 616-08 Public Safety & Military Affairs/Energy & Environmental Protection/Health on H.B. No. 2076

The purpose of this bill is protect public health by requiring the Department of Health (DOH) to establish air sampling stations adjacent to and downwind of military facilities in the state where depleted uranium munitions are used. DOH must also collect data on levels of contamination from depleted uranium.

The Hawaii County Council, Association of Hawaiian Civic Clubs, Hawaiian Political Action Council of Hawaii, Life of the Land, and several concerned individuals testified in support of this bill. The Department of Health and State Department of Defense supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Energy & Environmental Protection and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2076 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, Har, Lee, Nakasone, Nishimoto, Saiki, Shimabukuro and Thielen.

SCRep. 617-08 Human Services & Housing/Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2050

The purpose of this bill is to address the homeless and affordable housing crisis in Hawaii by:

- (1) Extending the allocation of 50 percent of conveyance tax revenues to the Rental Housing Trust Fund (Trust Fund);
- (2) Authorizing the issuance of \$25,000,000 in general obligation bonds (GO bonds) to be paid into the Trust Fund;
- (3) Appropriating \$25,000,000 out of the Trust Fund for the planning, development, and construction of affordable housing, in cooperation with private and nonprofit developers;
- (4) Authorizing the issuance of \$30,000,000 in GO bonds for housing development programs;
- (5) Appropriating \$500,000 in general funds to assist developers in contracting for third party review and certification, including but not limited to inspection, discretionary permits, and ministerial permits, to expedite the processing and issuance of building permits for affordable housing projects;
- (6) Appropriating \$2,000,000 for the Hawaii Public Housing Authority (HPHA) to conduct repair and maintenance on public housing projects;
- (7) Authorizing the issuance of \$40,200,000 in GO bonds for HPHA to conduct capital improvement projects to repair and renovate public housing;
- (8) Appropriating \$1,500,000 in general revenues to provide security in public housing projects;
- (9) Appropriating \$5,300,000 in general revenues to HPHA for outreach or support services, or both, to unsheltered homeless, at-risk homeless, and those residing in homeless facilities, including emergency shelters; and
- (10) Authorizing the issuance of \$32,000,000 in GO bonds to HPHA for homeless facilities, emergency shelters, and transitional shelters on the islands of Oahu and Hawaii.

The Department of Taxation, Department of Human Services, Department of Community Services of the City and County of Honolulu, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaii Family Support Institute, Waikiki Health Center's Care-A-Van Program, Neighborhood Board #8, McCully-Moiliili, Catholic Charities Hawaii, Partners in Care, Community Alliance Partners-Hawaii Island Continuum of Care to End Homelessness, and several concerned individuals testified in support of this bill. The Hawaii Housing Finance and Development Corporation supported the concept of this measure. The Office of Housing and Community Development of the County of Hawaii supported an amendment to this bill. The Tax Foundation of Hawaii submitted comments.

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. 2050 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, Carroll and Saiki.

SCRep. 618-08 Human Services & Housing on H.B. No. 3140

The purpose of this bill is to make an emergency appropriation in the amount of \$10,000,000 to the Hawaii Public Housing Authority (HPHA) to repay the Department of Budget and Finance for a loan to pay for liability insurance and payroll costs, and to address the budget deficits for the federal low-rent program, State Family Public Housing Program, and State Elders Housing Program.

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.

HPHA 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. 3140 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 619-08 Human Services & Housing on H.B. No. 2468

The purpose of this bill is to support the development of affordable housing by:

- (1) Extending to June 30, 2013, the 50 percent allocation of the conveyance tax to the Rental Housing Trust Fund (RHTF);
- (2) Authorizing the issuance of \$30,000,000 in general obligation (GO) bonds to be deposited into the Dwelling Unit Revolving Fund for housing development programs; and
- (3) Appropriating \$500,000 to assist developers in contracting for third party review and certification of permits.

The Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Catholic Charities Hawaii, Neighborhood Board #8, McCully-Moilili, and Hawaii Habitat for Humanity testified in support of this bill. The Hawaii Housing Finance and Development Corporation (HHFDC) supported the concept of this measure. The City and County of Honolulu Department of Community Services, Tax Foundation of Hawaii, and Hawaii Association of REALTORS provided comments.

Your Committee has amended this bill by:

- (1) Making permanent the 50 percent conveyance tax allocation to the RHTF;
- (2) Authorizing the issuance of \$25,000,000 in GO bonds to be deposited into the RHTF;
- (3) Specifying that the third party review is to be administered by HHFDC; 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. 2468, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2468, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 620-08 Human Services & Housing on H.B. No. 2511

The purpose of this bill is to allow an individual who qualifies for a rent supplement up to 180 days from the approval of the application to find a rental unit.

The Hawaii Public Housing Authority (HPHA) provided comments.

Your Committee finds that a commonly-stated reason for homelessness is that working families are unable to pay rent. As a result, it is difficult to require families to secure a unit for one or two years while waiting for approval for the Rent Supplement Program (Program). These situations do not help to relieve the state's severe homeless epidemic.

Given the state's homeless crisis, it is more feasible and realistic to model the Program more closely to the Section 8 program, thereby allowing a homeless family time after being approved for the Program to find a unit they can afford with the help of the rent supplement.

Your Committee has amended this bill by:

- (1) Reducing the time to find a unit from 180 to 90 days; and
- (2) Requiring HPHA to give priority to applicants who are homeless or in emergency or transitional shelters, once the current waitlist is exhausted.

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. 2511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2511, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 621-08 Human Services & Housing on H.B. No. 2665

The purpose of this bill is to authorize the Hawaii Public Housing Authority to include as part of a request for proposals for the construction or renovation of a public housing project, a price preference or scoring bonus for a person who proposes to concurrently redevelop adjacent real property.

The Hawaii Public Housing Authority testified in support of this bill.

Your Committee has amended this bill by:

- (1) Making some of the provisions of the request for proposals, options, rather than 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 Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2665, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 622-08 Human Services & Housing on H.B. No. 3399

The purpose of this bill is to exempt from child care licensing laws, two persons living in the same household who can each care for up to two children unrelated to the caregiver.

The Department of Human Services supported the intent of this bill. The Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Amending the definition of "family child care home" to further clarify 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. 3399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3399, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 623-08 Human Services & Housing on H.B. No. 3400

The purpose of this bill is to allow legal guardians and caretakers of eligible minors to be eligible for the Temporary Assistance for Needy Families and Temporary Assistance for Other Needy Families programs.

The Legal Aid Society of Hawaii testified in support of this bill. The Department of Human Services (DHS) did not support this measure.

Your Committee has amended this bill by replacing its contents with provisions requiring DHS to adopt rules adding "legal guardians" to the definition of a specified relative for purposes of determining eligibility for state-funded family assistance, within a reasonable period of time following the enactment of this bill.

Your Committee respectfully requests DHS to provide a cost estimate of the provisions of the measure as amended.

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. 3400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3400, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 624-08 Human Services & Housing on H.B. No. 3427

The purpose of this bill is to promote the development of affordable housing through self-help housing programs by establishing a Self-Help Housing Trust Fund (Trust Fund) to assist with technical assistance costs and to provide loans and grants for other costs associated with the development of self-help housing.

Hawaii Habitat for Humanity Association and the Self-Help Housing Corporation of Hawaii testified in support of this bill. The Hawaii Housing Finance and Development Corporation (HHFDC) opposed this measure. The Department of Budget and Finance (B&F) and Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests the Committee on Finance to examine the concerns about funding raised by HHFDC, B&F, and the Tax Foundation of Hawaii in their written testimony. This measure could result in the development of many more much-needed affordable housing units in the state.

Your Committee has amended this bill by:

- (1) Specifying that eligible organizations must offer self-help housing services in the state and have an option on the land they intend to develop;
- (2) Specifying that 15 percent of the conveyance tax proceeds be allocated to the Trust Fund; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3427, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 625-08 Human Services & Housing on H.B. No. 2492

The purpose of this bill is to protect homebuyers by requiring property restrictions or conditions of use to be included in a seller's disclosure statement.

The Hawaii Association of REALTORS and the Hawaii Legislative Action Committee of the Community Associations Institute 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. 2492 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. 626-08 Human Services & Housing on H.B. No. 2598

The purpose of this bill is to require the Hawaii Housing Finance and Development Corporation (HHFDC) to focus on developing land in the Oahu urban core under the jurisdiction of the Hawaii Community Development Authority (HCDA) and land in the urban core of the other counties.

The Office of Hawaiian Affairs testified in support of this bill. HHFDC and the County of Hawaii Office of Community Development opposed this measure.

Your Committee recognizes the concerns of testifiers who stated that rural and urban areas of the state should be considered equally when considering the need for affordable housing in the state. HHFDC noted that the districts established under HCDA's jurisdiction are limited and encompass only a portion of Oahu's urban core.

Accordingly, your Committee has amended this bill by:

- (1) Requiring HHFDC to prioritize the use of its resources in facilitating the development of certain areas, rather than mandating that its resources be used for development; and
- (2) Changing the development focus on Oahu to the areas covered under the Ewa Development Plan and the City and County of Honolulu Primary Urban Center Development Plan.

Other technical, nonsubstantive amendments were 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. 2598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2598, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

SCRep. 627-08 Public Safety & Military Affairs on H.B. No. 2376

The purpose of this bill is to reduce the danger of wildfires throughout the state by requiring the State Fire Council to develop a comprehensive statewide brushfire mitigation plan, including:

- (1) Identifying private and public methods of brushfire reduction;
- (2) Developing a program to educate the public on brushfire prevention and safety; and
- (3) Exploring additional resources to prevent brushfires and mitigate the effects of brushfires when they occur.

This bill also appropriates \$400,000 for public education on brushfire prevention and safety.

The Department of Land and Natural Resources and a concerned individual supported the intent of this bill. The State Fire Council provided comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376 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, Lee, Luke, Nakasone and Souki.

SCRep. 628-08 Public Safety & Military Affairs on H.B. No. 2664

The purpose of this bill is to ensure public safety by clarifying the Governor's emergency powers. Specifically, this bill:

- (1) Establishes that certain provisions of the State's disaster relief chapter are operative and supersede provisions of the Civil Defense and Emergency Act in times when an emergency arises that is not considered a civil defense emergency;
- (2) Allows the governor to exercise powers under the Civil Defense and Emergency Act for purposes of noncivil defense disasters only if tangible and measurable harm or damage has resulted; and

- (3) Requires that any of the governor's emergency powers in force prior to the effective date of this bill expire at the end of the 2008 Regular Session unless reauthorized by the Legislature.

The Department of Defense, Department of Agriculture, Department of Land and Natural Resources, and Department of Accounting and General Services opposed this bill. The Department of the Attorney General offered comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2664 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, Lee, Luke, Nakasone and Souki. (Representatives Finnegan and Pine voted no.)

SCRep. 629-08 Public Safety & Military Affairs on H.B. No. 2857

The purpose of this bill is to provide a one-time nonrefundable tax credit to assist the victims of the December 2007 flood and wind storm in upcountry Maui and other areas of the 12th representative district.

The Department of Hawaiian Home Lands supported the intent of this bill. The Department of Defense, Department of Taxation, and Tax Foundation of Hawaii 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2857, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, Luke, Nakasone and Souki.

SCRep. 630-08 Public Safety & Military Affairs/Labor & Public Employment on H.B. No. 2849

The purpose of this bill is to increase retirement benefits for police radio dispatchers by including police radio dispatchers as class A members of the Employees' Retirement System (ERS).

The Honolulu Police Department, State of Hawaii Organization of Police Officers, and several concerned individuals testified in support of this bill. The Department of Budget and Finance and ERS Board of Trustees opposed this measure.

Upon further consideration, your Committees have amended this bill by changing its effective date to July 1, 2050, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the 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. 2849, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2849, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, Luke, Nakasone and Nishimoto. (Representative Finnegan voted no.)

SCRep. 631-08 Energy & Environmental Protection on H.B. No. 2919

The purpose of this bill is to protect the health and welfare of the Kauai community in the area of Nawiliwili Harbor from sulfur dioxide emissions by prohibiting emissions within a five-mile radius of the harbor from cruise ships that use bunker fuel oil that contains more than one thousand parts per million of sulfur in its main or auxiliary engines. This bill also authorizes the Director of Health (Director) to provide for an alternative mechanism of compliance for cruise ships that would result in the same degree of compliance as the prohibition.

The Department of Health (DOH), Department of Transportation, and NCL American, Inc., commented on this bill.

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

- (1) Specifying that the prohibition on bunker fuel oil emissions from cruise ships applies to cruise ships, berthed at Nawiliwili Harbor instead of within a five-mile radius of the harbor, whose bunker fuel oil contains more than five thousand parts per million of sulfur, instead of one thousand parts per million of sulfur, in the cruise ship's main and auxiliary engines;
- (2) Clarifying that the Director may provide for an alternative mechanism of compliance for cruise ships if the Director determines that the cruise ship employs a control technology that reduces its air emissions of sulfur dioxides and particulate

matter equal to or less than the air emissions generated from the burning of bunker fuel oil containing more than five thousand parts per million of sulfur in its main and auxiliary engines;

- (3) Authorizing, instead of requiring, DOH to adopt rules as necessary for the purposes of the bunker fuel emissions regulation contained in this bill; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2919, H.D. 1, and be referred to the Committees on Transportation and Tourism & Culture.

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

SCRep. 632-08 Energy & Environmental Protection on H.B. No. 3444

The purpose of this measure is to commit significant financial resources to developing a long-term energy strategy and energy security for the State.

Specifically, this measure:

- (1) Establishes the energy security special fund for the purpose of funding the energy program within the Department of Business, Economic Development, and Tourism and projects that develop economical energy resources, provide energy security, and promote energy self-sufficiency for the State; and
- (2) Establishes the energy security tax of 15 cents per barrel, to be paid by distributors of petroleum products on each barrel of petroleum product sold in the State, and which shall be deposited into the energy security special fund.

Testimony in support of this measure was submitted by the Hawaii Renewable Energy Alliance. Comments on this measure were submitted by the Department of Business, Economic Development, and Tourism and the Department of Taxation.

Your Committee believes that establishing economical energy sources, promoting energy self-sufficiency, and providing energy security are critical elements of a long-term energy strategy for the State. Your Committee further finds that the federal funds that have helped support the State's energy program are diminishing and are expected to be exhausted within the next three to four years. In order to continue to fund the energy program, additional sources of funds must be located; however, the State's ability to make up the shortfall on its own may be limited.

Your Committee acknowledges concerns over the possible effects of new taxes; however, it believes that an appropriate source of funding for the energy program is through a tax on petroleum products sold in the State. Your Committee further believes that the effect of the tax increase on Hawaii consumers may be minimal. For example, the \$.15 increase on a barrel of oil equals \$.0036 per gallon of fuel. The annual cost per resident of Hawaii, using the de facto population, is approximately \$3.85, or less than a cup of tall Starbucks specialty coffee. This additional cost can be mitigated by promoting simple energy efficiency and conservation measures that may actually accrue to greater savings for Hawaii consumers. Furthermore, your Committee finds that tax revenue collected under this program should also be used as a source of funding for the energy systems development special fund.

Accordingly, your Committee has amended this measure by:

- (1) Expanding the purpose section to provide greater background on the issues and explain the expected ramifications of this measure;
- (2) Deleting the energy security tax;
- (3) Amending section 243-3.5, Hawaii Revised Statutes, to rename the environmental response tax the "environmental response and energy security tax";
- (4) Increasing the environmental response and energy security tax from 5 cents per barrel to 20 cents per barrel;
- (5) Allocating environmental response and energy security tax revenue collected from each barrel as follows:
 - (A) 5 cents per barrel to be deposited into the environmental response revolving fund;
 - (B) 12.5 cents per barrel to be deposited into the energy security special fund; and
 - (C) 2.5 cents per barrel to be deposited into the energy systems development special fund;
- (6) Deleting energy conservation and alternative energy development from the uses of the environmental response revolving fund; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3444, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 633-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 3410

The purpose of this bill is to provide various market stimulation incentives for the development of biodiesel, including:

- (1) Making state agricultural lands available for biodiesel fuel crops;
- (2) Establishing a state biodiesel feedstock crop and biodiesel fuel purchasing program; and
- (3) Creating tax exemptions for oil seed crushing facilities and lands used for biodiesel feedstock crops.

Pacific Biodiesel, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Taxation, Department of Agriculture, Tax Foundation of Hawaii, and Life of the Land provided comments.

Your Committees have amended this bill by:

- (1) Removing the requirement that the Board of Land and Natural Resources lease lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B;
- (2) Removing the requirement that the Board of Land and Natural Resources lease lands at nominal consideration;
- (3) Removing the provision exempting the lands used for the production of biodiesel feedstock crops from real property taxes;
- (4) Clarifying that the income tax exemption applies to the income derived from the operation of an oil seed crushing facility;
- (5) Removing from the definition of an "oil seed crushing facility" the provision specifying that it is a facility separate and distinct from a biodiesel production facility; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and 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. 3410, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3410, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Sagum, Wakai, Yamane and Thielen.

SCRep. 634-08 Judiciary on H.B. No. 1895

The purpose of this bill is to protect the cultural and traditional interests of native Hawaiian children by establishing the Native Hawaiian Child Welfare Act. Among other things, this bill establishes:

- (1) The Na Kupuna Tribunal and grants it exclusive jurisdiction over child custody proceedings involving native Hawaiian children; and
- (2) A pilot project prior to the full implementation of this bill.

This bill also requires that the cultural needs of a child be considered as part of the best interests of the child standard in any custody and placement decisions under the Child Protective Act.

The Department of Human Services (DHS), Na Kupuna O Waianae, Na Kupuna O Kahana, Iron Workers Stabilization Fund, Kahana Valley residents, and several individuals testified in support of this bill. An individual also supported the intent of this measure. The Office of Hawaiian Affairs opposed this bill.

Your Committee recognizes that cultural sensitivity is an important factor in child welfare matters and is encouraged that DHS seeks to make its child welfare program as culturally competent as possible. At the same time, the establishment of any new child welfare system must face a range of legal concerns. This bill contains various unclear or impracticable provisions as well as technical inconsistencies that remain to be addressed.

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. 1895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1895, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 635-08 Judiciary on H.B. No. 2686

The purpose of this bill is to ensure that agency rulemaking does not exceed statutory authority by conforming Hawaii Administrative Procedure Law to federal law with respect to rulemaking and public participation in government.

The ILWU Local 142 and several concerned individuals supported this bill. The Small Business Regulatory Review Board supported the intent of this measure. The Hawaii Civil Rights Commission opposed 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 H.B. No. 2686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2686, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 636-08 Judiciary on H.B. No. 3016

The purpose of this bill is to ensure the safety of law enforcement officers of the Department of Land and Natural Resources (DLNR) Division of Conservation and Resources Enforcement (DOCARE) by:

- (1) Authorizing Conservation and Resources Enforcement Officers (CREOs) to carry and use electric or "taser" guns in the performance of their duties, provided that DOCARE receives accreditation or recognition from a nationally recognized law enforcement accreditation or credentialing program; and
- (2) Appropriating funds for program accreditation, purchase of electric guns and related equipment, and training in their use for CREOs.

DLNR, Hawaii Government Employees Association, The Nature Conservancy of Hawaii, and numerous concerned individuals testified in support of this bill. The American Civil Liberties Union opposed this measure. Several concerned individuals submitted 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3016, 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. 3016, H.D. 2.

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

SCRep. 637-08 Judiciary on H.B. No. 2823

The purpose of this bill is to limit the liability of owners, controllers, and operators of dams or reservoirs for personal injury or property damage from:

- (1) Water escaping from the dam or reservoir;
- (2) The failure or partial failure of the dam or reservoir, unless caused by the owner; and
- (3) Allowing the inflow to the dam or reservoir to pass through it and into a natural stream below the reservoir.

This bill also provides insurance requirements for dam and reservoir owners.

Dole Food Company Hawaii, Hawaii Farm Bureau Federation, Island Resources Ltd., Maui County Farm Bureau, and Kamehameha Schools testified in support of this bill. The Department of Land and Natural Resources, Consumer Lawyers of Hawaii, and two concerned individuals opposed this measure.

With prior concurrence from the Committee on Water, Land, Ocean Resources & Hawaiian Affairs, your Committee has amended this bill to exempt from protection against liability, owners and operators whose negligence has proximately caused personal injury or property damage resulting from water escaping from the dam or reservoir, or from allowing the inflow to the dam or reservoir to pass through it and into a natural stream below the reservoir.

Your Committee also notes that this bill does not take into account section 179D-4, Hawaii Revised Statutes, relating to liability for damages for owners and operators of dams and reservoirs, and thus has changed the effective date of this bill to January 1, 2112, to encourage further discussion.

Your Committee has amended this bill by:

- (1) Clarifying that the provisions of this bill apply to owners and operators of dams and reservoirs;
- (2) Changing the minimum insurance requirements to unspecified amounts for each claim and all claims arising from one incident, to encourage further discussion;
- (3) Adding that the limitations on liability shall not apply to instances of gross negligence; intentional, willful, or wanton acts; or conduct in reckless disregard of public safety; 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. 2823, 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. 2823, H.D. 2.

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

SCRep. 638-08 Economic Development & Business Concerns on H.B. No. 2914

The purpose of this bill is to designate new or expanding skilled nursing facilities located outside of a state enterprise zone (EZ) as businesses eligible for EZ tax benefits.

A concerned individual supported the intent of this bill. The Department of Business, Economic Development, and Tourism and the Department of Taxation offered comments.

Upon reviewing testimony, your Committee has determined that applying the EZ program to businesses located outside of designated EZs would present technical difficulties. It would also fail to achieve the intended goal of the program, which is to move certain types of businesses into economically depressed areas of the state. However, your Committee also recognizes the importance of increasing the number and capacities of skilled nursing facilities as Hawaii's elderly population grows.

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

- (1) Removing the language allowing skilled nursing facilities that are located outside of an EZ to qualify for EZ benefits;
- (2) Making a technical amendment to correct the reference to the definition of "skilled nursing facility" in federal law; and
- (3) Changing the effective date to July 1, 2034, to encourage further discussion.

Other technical, nonsubstantive amendments were 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. 2914, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2914, H.D. 1.

Signed by all members of the Committee except Representative Ching.

SCRep. 639-08 Public Safety & Military Affairs on H.B. No. 2567

The purpose of this bill is to ensure that our sick, elderly, and disabled population will have secure facilities in which to seek shelter during times of emergency by appropriating an unspecified amount of funds to the Department of Defense (DOD) to fund a study to assess the structural integrity of all hospitals and nursing home facilities in Hawaii, including their ability to withstand hurricanes and earthquakes.

The Healthcare Association of Hawaii supported this bill. DOD supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 2567, 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. 2567, H.D. 2.

Signed by all members of the Committee except Representatives Har, Lee, Luke, Nakasone and Souki.

SCRep. 640-08 Public Safety & Military Affairs on H.B. No. 3019

The purpose of this bill is to recognize the service given to protect our country by Hawaii's veterans by establishing a veterans bonus to be paid to a veteran, or to the dependents of a deceased veteran, if the veteran, among other requirements:

- (1) Was a legal resident of the state for at least six months immediately preceding entry into the armed services of the United States (U.S.); and
- (2) Is still in the U.S. armed services or was separated or discharged from the U.S. armed services honorably or under honorable conditions.

A concerned individual supported this bill. The Office of Veterans Services supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that to qualify to receive the bonus, a veteran must have received a fully honorable military discharge;
- (2) Specifying that a veteran's termination date is established by law or presidential proclamation;
- (3) Changing the effective date to July 1, 2050, 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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3019, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Lee, Luke, Nakasone and Souki.

SCRep. 641-08 Economic Development & Business Concerns on H.B. No. 2434

The purpose of this bill is to reduce the amount of waste in Hawaii's landfills and protect Hawaii's marine life by requiring that certain stores implement an At-Store Plastic Carryout Bag Recycling Program (Program) that also encourages consumers to use reusable shopping bags.

Your Committee received testimony in support of this bill from the Retail Merchants of Hawaii, American Chemistry Council, Windward Ahupuaa Alliance, Hawaii's Thousand Friends, the Hawaii Food Industry Association, and several concerned individuals. Styrophobia, LLC supported the intent of the measure. Sierra Club, Department of Health (DOH), and several concerned individuals opposed this measure. Several concerned individuals offered comments.

The cost of living in Hawaii is among the highest in the nation, and Hawaii can ill afford to further increase these costs. Your Committee is particularly aware of this in light of the economic slowdown predicted by the Council on Revenues and the threat of a nationwide economic recession. However, your Committee also recognizes that the Legislature must play an active role in safeguarding our environment and moving our state toward environmentally friendly practices and habits.

With an eye toward balancing these concerns, your Committee has amended this bill by:

- (1) Clarifying which stores and retail establishments fall under the Program;
- (2) Including language to ensure that no public agency imposes a plastic carryout bag ban or fee in addition to those prescribed in this measure;
- (3) Allowing retailers experiencing financial or physical hardship to be exempted from the Program;
- (4) Appropriating an unspecified amount of general funds to be expended by DOH to implement the Program;
- (5) Pushing back the deadline for DOH's progress report to the Legislature on the Program, from 2010 to 2011; and
- (6) Changing the effective date to July 1, 2034, to allow further discussion.

Other 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. 2434, 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. 2434, H.D. 2.

Signed by all members of the Committee.

SCRep. 642-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2302

The purpose of this bill is to streamline the process of recording land title documents in the Land Court and Bureau of Conveyances (BOC) by:

- (1) Authorizing the Registrar of the BOC to accept electronic documents with electronic signatures for recording; and
- (2) Requiring the Judiciary to study:

- (A) The effects of electronic recording on the adjudication of Land Court applications; and
- (B) Permissible uses for electronic recording in the Land Court.

The State of Hawaii Commission to Promote Uniform Legislation, Hawaii Land Title Association, Hawaii Escrow Association, and Wyndham Worldwide testified in support of this bill. The Department of Land and Natural Resources and Hawaii Association of Realtors supported the intent of this measure. The Judiciary 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. 2302, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Souki, Tsuji, Yamane and Yamashita.

SCRep. 643-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2438

The purpose of this bill is to reduce accidental fires relating to cigarette smoking by allowing only reduced ignition propensity cigarettes to be sold in the state.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, County of Maui Department of Fire and Public Safety, Hawaii Fire Fighters Association, Coalition for a Tobacco-Free Hawaii, and Retail Merchants of Hawaii testified in support of this bill. The Department of the Attorney General 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. 2438, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Souki, Tsuji, Yamane and Yamashita.

SCRep. 644-08 Consumer Protection & Commerce/Judiciary on H.B. No. 3085

The purpose of this bill is to resolve inconsistencies, gaps, and ambiguities in the law allowing registration and protection of trademarks, service marks, and trade names in chapter 482, Hawaii Revised Statutes (chapter 482). Among other things, this bill:

- (1) Distinguishes between the standard for registration of trade or entity names ("substantially identical") and the standard for determining ownership of trade or entity names under the common law ("confusingly similar");
- (2) Adds a C felony penalty for intentional false filings to the existing misdemeanor penalty for negligent false filings;
- (3) Reorganizes chapter 482 into four parts entitled Definitions, Trade Names, Trademarks and Service Marks, and Miscellaneous Provisions; and
- (4) Makes technical, nonsubstantive housekeeping amendments.

The Department of Commerce and Consumer Affairs (DCCA) and Office of Administrative Hearings of DCCA testified in support of this bill.

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. 3085, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Sonson, Souki, Tsuji, Yamane and Yamashita.

SCRep. 645-08 Consumer Protection & Commerce/Judiciary on H.B. No. 3172

The purpose of this bill is to streamline the process for recording documents at the Bureau of Conveyances (Bureau) by authorizing the Bureau's registrar and assistant registrar to accept electronic signatures and electronically filed documents in lieu of an original document with original signatures.

The Department of Land and Natural Resources, Hawaii Land Title Association, Hawaii Escrow Association, American Resort Development Association-Hawaii, and Wyndham Worldwide testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure. The Judiciary submitted 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. 3172 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, Sonson, Souki, Tsuji, Yamane and Yamashita.

SCRep. 646-08 Consumer Protection & Commerce/Judiciary on H.B. No. 3098

The purpose of this bill is to improve the regulation of activities under the jurisdiction of the Insurance Commissioner by, among other things:

- (1) Providing for the automatic inactivation of the license or registration of a surplus line broker, reinsurance intermediary, managing general agent, vehicle protection product warrantor (Warrantor), or service contract provider (Provider) for failing to make timely payments of license or registration fees;
- (2) Amending the continuing education requirements for insurance producers to, among other things, include ethics training;
- (3) Requiring Warrantor and Provider registration records to be updated annually or within 30 days of any change, whichever is sooner; and
- (4) Providing Warrantors and Providers greater flexibility in selecting a qualified insurer to provide its reimbursement insurance policies or contractual liability policies, respectively.

The Department of Commerce and Consumer Affairs and the National Association of Insurance and Financial Advisors-Hawaii testified in support of this bill. The Hawaii Independent Insurance Agents opposed this measure. The American Council of Life Insurers submitted comments.

Your Committees have amended this bill by:

- (1) Changing the continuing education requirements for insurance producers to the following:
 - (A) For a license to sell single lines of insurance, 20 total credit hours, including 17 credit hours relating to the line of insurance and three credit hours relating either to ethics training or to insurance laws and rules; and
 - (B) For a license to sell multiple lines of insurance, 24 total credit hours, including four combined credit hours relating to either ethics training or insurance laws and rules and the remaining combined credit hours relating to the lines of insurance;
- (2) Requiring Warrantor and Provider registration records to be updated annually or within 60 days of any change, whichever is sooner;
- (3) Providing that Warrantors and Providers who fail to make timely payment of registration fees face a penalty of 25 percent of unpaid fees, to be paid within 60 days from the date of automatic inactivation of the registration; and
- (4) 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. 3098, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3098, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 647-08 Consumer Protection & Commerce on H.B. No. 3331

The purpose of the measure is to specify dispute resolution parameters related to the interpretation or enforcement of a condominium association's bylaws, house rules, or certain other matters.

More specifically, the measure allows parties whose dispute is not resolved by mediation to file for arbitration no sooner than thirty days from the termination date of mediation. The measure also makes more widely available the option for an administrative hearing.

Your Committee has amended the measure by making technical amendments for the purpose of clarity and consistency. Rather than repealing section 514B-161 and adding a new section to the measure, the measure now amends section 514B-161 to include the desired language changes. In addition, the sequencing of sections in the measure necessarily changed to follow customary drafting conventions.

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. 3331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3331, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ito.

SCRep. 648-08 Consumer Protection & Commerce on H.B. No. 2291

The purpose of this bill is to expand access to health care by establishing a state agency to develop plans for universal health care coverage.

The Hawaii Medical Service Association testified in support of the intent of this bill. The Department of Commerce and Consumer Affairs, Department of Budget and Finance, Hawaii Medical Association, Healthcare Association of Hawaii, and Hawaii Association of Health Plans opposed this measure. The Department of the Attorney General submitted comments.

Your Committee has amended this bill by replacing its entire contents with provisions that address the growing shortage of physicians by, among other things:

- (1) Prohibiting insurers from preventing health care providers from passing on the cost of medical malpractice insurance premiums exceeding \$15,000 annually in the form of a patient surcharge of up to \$10 per office visit and \$100 per surgical procedure;
- (2) Requiring insurers, after receiving a claim for the payment of benefits, to make direct payment to the health care provider that provided the services;
- (3) Exempting the direct insurer payments to health care providers from the general excise tax;
- (4) Limiting noneconomic damages that may be awarded in medical tort actions;
- (5) Defining "economic damages" for medical tort actions;
- (6) Providing that noneconomic and economic damages are to be allocated in medical tort actions based upon the health care provider's proportionate percentage of negligence or other fault; and
- (7) Providing that medical torts only include the rendering of professional services within the scope of services for which the health care provider is licensed and not within any restriction imposed by the licensing agency or licensed hospital.

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. 2291, 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. 2291, H.D. 2.

Signed by all members of the Committee except Representative Sonson.

SCRep. 649-08 Consumer Protection & Commerce on H.B. No. 1992

The purpose of this bill is to address rising medical malpractice insurance costs by, among other things:

- (1) Limiting noneconomic damages in medical tort actions to \$250,000;
- (2) Allowing plaintiffs to petition the court for consideration of "catastrophic damages" for which up to \$3,000,000 in noneconomic damages may be awarded;
- (3) Defining "economic damages";
- (4) Allocating economic and noneconomic damages in medical tort actions in proportion to the healthcare provider's share of negligence or other fault; and
- (5) Providing that medical torts only include the rendering of professional services for which the healthcare provider is licensed and that are not restricted by the licensing agency or licensed hospital.

The Department of Commerce and Consumer Affairs, Department of the Attorney General, Hawaii Health Systems Corporation, Kaiser Permanente, Hawaii Association of Health Plans, Healthcare Association of Hawaii, Hawaii Medical Association, American College of Obstetricians and Gynecologists-Hawaii Section, and numerous concerned individuals testified in support of this bill. The Consumer Lawyers of Hawaii opposed this measure. Several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Limiting its application to:
 - (A) Counties with populations of less than 500,000; and
 - (B) Injuries and deaths occurring after this bill takes effect;
- (2) Capping noneconomic damages at:
 - (A) \$500,000 for "high-risk medical specialties", as designated by the Department of Health (DOH); and
 - (B) \$250,000 for all other medical specialties;
- (3) Removing dentists, optometrists, pharmacists, and psychologists from the definition of "health care provider" for purposes of the law on medical torts;

- (4) Requiring DOH to adopt rules by December 31, 2009, designating the medical specialties that are high-risk for purposes of the caps on noneconomic damages; and
- (5) Changing the effective date to January 1, 2010, with a sunset date of December 31, 2014.

Your Committee is aware of the likely difficulties of designating medical specialties as high-risk for purposes of this bill. As a starting point, it has been suggested to your Committee that certain specialties are widely regarded as involving higher risks, such as obstetrics, gynecology, surgery, orthopedics, and emergency room care. Practice areas with relatively lower risk may include primary care in areas such as family practice, general practice, internal medicine, pediatrics, and psychiatry.

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. 1992, 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. 1992, H.D. 2.

Signed by all members of the Committee except Representative Sonson.

SCRep. 650-08 Human Services & Housing on H.B. No. 2242

The purpose of this bill is to authorize each county to impose upon certain subdividers or developers affordable housing requirements as a condition for approval of a subdivision or issuance of a building permit.

The City and County of Honolulu Department of Planning and Permitting, Building Industry Association of Hawaii, The Chamber of Commerce of Hawaii, and Land Use Research Foundation of Hawaii opposed this bill.

Your Committee finds that further discussion is urgently need on the components of a successful inclusionary zoning ordinance including:

- (1) The land use or zoning ordinance should be of general application to all developments to better protect against legal challenges based on the constitutional "taking clause";
- (2) The best way to achieve specificity and across-the-board application to survive legal attacks is by the adoption of an implementing ordinance, that provides exemptions for true hardship and alternative means of compliance, as well as clear implementation procedures;
- (3) The inclusionary zoning ordinance should specify by income category the economic segments for whom the units must be affordable;
- (4) To have maximum effectiveness and meet the inclusion goals, policies should require as many on-site comparable affordable housing units as possible; and
- (5) The provision of incentives and concessions, such as density bonuses, expedited application and permit processing, and financial incentives are a critical part of a successful inclusionary zoning ordinance.

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. 2242 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. 651-08 Human Services & Housing on H.B. No. 3100

The purpose of this bill is to protect elders by establishing enhanced administrative and civil penalties for insurance-related violations against elders.

The Executive Office on Aging, Kokua Council, Policy Advisory Board for Elder Affairs, and a concerned individual testified in support of this bill.

Your Committee has amended this bill by:

- (1) Applying its provisions to violations against elders who are at least 60, rather than 62, years-of-age; and
- (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. 3100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3100, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Signed by all members of the Committee.

SCRep. 652-08 Human Services & Housing on H.B. No. 2435

The purpose of this bill is to include special needs preschoolers in general education preschool programs by:

- (1) Requiring the Quality Early Education Plan to include opportunities for special needs preschoolers who are between three to five years old to interact with their non-disabled peers;
- (2) Requiring the Department of Education (DOE) and the Department of Human Services (DHS) to consider certain specified options in their efforts to include special needs preschoolers in general education preschool programs;
- (3) Appropriating an unspecified amount of funds to increase opportunities for interaction between special needs preschoolers and their non-disabled peers; and
- (4) Appropriating an unspecified amount of funds to provide services to general education students in a special education classroom.

The Hawaii State Teachers Association and a concerned individual testified in support of this bill. DOE and the State Council on Developmental Disabilities supported the intent of this measure. DHS supported the concept of this bill.

Your Committee has amended this bill by:

- (1) Conforming DOE's quality early education statute to this measure by specifying that it apply to children ages three to six;
- (2) Specifying DOE as the lead agency, in collaboration with DHS, in assessing the integration of special needs preschoolers into general education 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. 2435, 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. 2435, H.D. 2.

Signed by all members of the Committee.

SCRep. 653-08 Human Services & Housing on H.B. No. 2575

The purpose of this bill is to make government more easily accessible to individuals with limited English proficiency by:

- (1) Clarifying and expanding definitions in Hawaii's language access law;
- (2) Expanding the membership of the Language Access Advisory Council (LAAC) to include a member from each county in the state; and
- (3) Appropriating \$189,500 for the Department of Labor and Industrial Relations to establish a statewide language access bank to ensure access to services.

The Office of Language Access, Congress of Visayan Organizations, Big Island Filipino Community Council, Filipino American Citizens League, National Federation of Filipino American Associations Region XII, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, United Filipino Council of Hawaii, and Filipino Coalition for Solidarity testified in support of this bill. The Disability and Communication Access Board (DCAB) supported the intent of this measure. The Hawaii Interpreter Action Network supported this bill with amendments.

Your Committee respectfully urges stakeholders to work together to discuss the possibility and feasibility of including American Sign Language as a language covered by the Office of Language Access for those individuals who are deaf or hard of hearing.

Your Committee has amended this bill by:

- (1) Changing the term "language access bank" to "language resource coordinating center";
- (2) Adding a DCAB representative as an ex-officio member of LAAC; 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. 2575, 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. 2575, H.D. 2.

Signed by all members of the Committee.

SCRep. 654-08 Human Services & Housing/Health on H.B. No. 2579

The purpose of this measure is to improve the availability of safe adult residential care homes and long-term care facilities in Hawaii.

Specifically, the measure creates the adult residential care home and long-term care facility repair and renovation loan guarantee revolving fund and establishes a repair and renovation loan guarantee program to be administratively placed within the Hawaii Housing Finance and Development Administration. The program would guarantee loans to an owner of an adult residential care home or long-term care facility whose plans to repair and renovate the care home or facility have been approved by the Director of Health as meeting the licensing standards of the Department of Health. In addition, the measure appropriates funds for loan guarantees.

Testimony in opposition to this measure was received from the Department of Business, Economic Development, and Tourism and the Department of Health.

Your Committees find that people who own adult residential care homes and long-term care facilities have high operating costs and low profit margins. Consequently, they are often unable to make improvements that would provide better services and safer, more up-to-date facilities. This measure will assist in financing the repair and renovation of these facilities to enable the owners to provide enhanced services in improved settings. Your Committees request that the concerns raised by the Department of Health and the Department of Human Services be taken into consideration by the legislative committees to which the bill is referred as the bill moves through the legislative process.

Upon consideration, your Committees have amended this measure by:

- (1) Transferring administrative placement of the repair and renovation loan guarantee program to the Department of Human Services;
- (2) Changing the name of the program and the revolving fund to the home and community based services care home and long-term care home facility repair and renovation loan guarantee program and the home and community based services care home and long-term care home facility repair and renovation loan guarantee revolving fund, respectively;
- (3) Adding three new definitions: "home and community based services;" "home and community based services care home"; and "long-term care home facility";
- (4) Deleting the definitions of "adult residential care home" and "long-term care facility";
- (5) Amending the title of the new section 321- , relating to certification of a loan applicant, to correctly reflect the name of the loan guarantee program;
- (6) Making a technical amendment to correctly identify the fiscal year in which funds are appropriated out of the home and community based services care home and long-term care home facility repair and renovation loan guarantee revolving fund; and
- (7) Changing the effective date of the measure to July 1, 2050 to facilitate further discussion.

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. 2579, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2579, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

SCRep. 655-08 Human Services & Housing/Health on H.B. No. 3130

The purpose of this bill is to encourage the upgrade of certain care home facilities by requiring the Department of Human Services (DHS) to establish a grant program to offer grants of up to \$25,000 for home upgrades to operators of community care foster family homes.

DHS and several concerned individuals testified in support of this bill.

Your Committees have amended this bill by:

- (1) Expanding its scope to include improving general safety or accommodating a third client, rather than making improvements specifically for fire safety; 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. 3130, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3130, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 656-08 Human Services & Housing/Health on H.B. No. 3251

The purpose of this bill is to encourage the development of affordable housing or a community health care facility within a mixed-use transit-oriented joint development project by exempting these projects from the general excise tax (GET).

The Hawaii Association of REALTORS, Environmental Planning Solutions, LLC, Hawaii Building and Construction Trades Council, AFL-CIO, and the University of Hawaii at Manoa College of Social Sciences Public Policy Center testified in support of this bill. The Hawaii Housing Finance and Development Corporation (HHFDC) and City and County of Honolulu Department of Planning and Permitting opposed this measure. The Department of Taxation provided comments.

Your Committees have amended this bill by:

- (1) Transferring the authority to approve and certify GET exemptions for community health care facilities from HHFDC to the Department of Health;
- (2) Removing provisions that require a certain amount of costs to be spent for rental housing units and a certain number of units for lower-income households;
- (3) Removing provisions that require the United States Department of Transportation to take part in the approval process;
- (4) Requiring that state agencies involved in this measure consult with the counties with regard to the adoption of rules to streamline the approval process for mixed-use transit-oriented joint development projects; 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 Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3251, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3251, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 657-08 Human Services & Housing/Health on H.B. No. 2581

The purpose of this measure is to authorize issuance of special license plates to be issued to vehicles registered in the name of long-term care facilities to enable those vehicles to park in handicapped parking stalls while transporting disabled patients of the long-term care facility.

Testimony in support of the measure was submitted by thirty-one community members. The Disability and Communication Access Board and one individual opposed the measure.

Your Committees find that vehicles registered in the name of long-term care facilities often transport disabled individuals who are patients of the long-term care facility. Authorizing these vehicles to park in designated accessible parking spaces would allow disabled individuals to remain in contact with their workers and facilitate their transportation.

Upon consideration, your Committees have amended the bill by replacing its contents with new provisions that create a loan guarantee program to fund an owner's repair and renovation of a home and community based services care home or a long-term care home facility. As amended, the bill:

- (1) Creates the home and community based services care home and long-term care home facility repair and renovation loan guarantee program to be administratively placed within the Department of Human Services;
- (2) Establishes the home and community based services care home and long-term care home facility repair and renovation loan guarantee revolving fund;
- (3) Defines "home and community based services"; "home and community based services care home", and "long-term care home facility";
- (4) Requires the Director of Health to certify that a loan applicant's construction plans meet the appropriate licensing standards of the Department of Health;
- (5) Appropriates funds for loan guarantees; and
- (6) Takes effect on July 1, 2050 to facilitate further discussion on this issue.

Your Committees urge that this measure be re-referred to the legislative committees that have jurisdiction over the subject matter of this measure, as amended.

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. 2581, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2581, H.D. 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Belatti and Cabanilla.

SCRep. 658-08 Human Services & Housing/Labor & Public Employment on H.B. No. 2765

The purpose of this bill is to protect minors by strengthening the laws prohibiting sexual exploitation of a minor and certain activities associated with human trafficking.

The Department of Human Services, Crime Victim Compensation Commission, Honolulu Police Department, Office of the Prosecuting Attorney, Sex Abuse Treatment Center, Soroptimist International of Honolulu, Safe Zone Foundation, Girl Fest Hawaii, Salvation Army Hawaiian & Pacific Islands Division, and a concerned individual testified in support of this bill. Na Loio – Immigrant Rights and Public Interest Legal Center supported the intent of this measure. The City and County of Honolulu Department of the Prosecuting Attorney supported this bill with amendments. The Attorney General suggested amendments.

Your Committees have amended this bill by:

- (1) Removing all references to human trafficking; 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 Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2765, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2765, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Har, Luke, Nakasone, Nishimoto, Shimabukuro and Pine.

SCRep. 659-08 Judiciary on H.B. No. 2186

The purpose of this bill is to assist parents and guardians in ensuring that their children with disabilities receive an appropriate special education by:

- (1) Extending from 90 days to two years of a unilateral special education placement, the time allowed for parents or guardians or the Department of Education (DOE) to request an impartial hearing regarding reimbursement for the costs of a child's placement; and
- (2) Requiring DOE to adopt rules regarding reimbursement of certain fees and expenses, including expert witness fees, associated with the hearing.

The State Council on Developmental Disabilities, Hawaii Disability Rights Center, Community Children's Council Office, Hawaii Down Syndrome Congress, Special Education Advisory Council, Hawaii Centers for Independent Living, Autism Society of Hawaii, and many concerned individuals testified in support of this bill. The Department of the Attorney General, Department of Education, and Hawaii State Teachers Association opposed this measure. A concerned individual 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. 2186, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

SCRep. 660-08 Judiciary on H.B. No. 2256

The purpose of this measure is to allow accident and health or sickness insurers with less than five per cent market share to enter into agreements that allow the insurer to refuse to issue to or renew a policy for a person unless the person contracts for another class of insurance, or an additional policy of the same class of insurance.

Testimony in support of this measure was received from Hawaii Medical Assurance Association. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs, the Attorney General, and Hawaii Medical Services Association.

Your Committee notes the concerns of the Committee on Consumer Protection & Commerce that this measure may not be of appropriate scope and may not be addressing a serious consumer need at this time. Your Committee recommends that the Committee on Finance continue to address the implications of this measure in its current form.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2256, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson. (Representative Thielen voted no.)

SCRep. 661-08 Judiciary on H.B. No. 2766

The purpose of this bill is to protect victims of domestic violence from their abusers by allowing the courts to:

- (1) Prohibit contact with the victim by establishing court-defined geographic exclusion zones; and
- (2) Require the defendant to wear a global positioning satellite tracking device.

This bill also appropriates funds to cover costs associated with the electronic devices for defendants who are unable to pay.

The Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, and VOICES testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has some concerns about the necessity of this measure because section 706-624(2)(p) and (q), Hawaii Revised Statutes, already provides for electronic monitoring. Your Committee also notes some concerns that were raised regarding the details of this program including costs, vendor-associated details, and other implementation issues.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2766, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson.

SCRep. 662-08 Judiciary on H.B. No. 3178

The purpose of this bill is to protect Hawaii's public lands by:

- (1) Establishing that any person causing an encroachment upon public lands is liable for administrative costs incurred by the Department of Land and Natural Resources (DLNR);
- (2) Increasing the current fine and establishing greater fines for any person engaging in any prohibited use of public lands or conducting a prohibited activity on public lands;
- (3) Authorizing the Board of Land and Natural Resources to set, charge, and collect a fine that, in its discretion, is appropriate considering the value of the natural resource that is damaged or the subject of the theft; and
- (4) Providing an exemption to sanctions for persons exercising native Hawaiian gathering rights and traditional cultural practices as authorized by law or permitted by DLNR.

DLNR, the Office of Hawaiian Affairs, and a concerned individual testified in support of this bill.

Your Committee notes that DLNR testified orally at the public hearing for this measure that payment by a violator of all administrative costs and expenses should be a discretionary, rather than mandatory, penalty. Your Committee respectfully requests that your Committee on Finance address this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3178 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morita.

SCRep. 663-08 Judiciary on H.B. No. 3174

The purpose of this bill is to clarify that the Department of Land and Natural Resources (DLNR) may adopt administrative rules to be consistent with federal fisheries regulations to improve the joint management of fisheries that:

- (1) Are declared to be in decline; and
- (2) Occur in both state and federal marine waters.

DLNR and The Nature Conservancy of Hawaii supported this bill. The Office of Hawaiian Affairs (OHA) opposed this measure.

Your Committee notes OHA's concerns that this measure does not take into account state constitutional protections afforded to Native Hawaiians with respect to customary and traditional practices that may include fishing activities. Your Committee encourages DLNR and OHA to discuss this matter further and to recommend additional language for this measure, if necessary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3174 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sonson. (Representative Green voted no.)

SCRep. 664-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3260

The purpose of this bill is to prevent the overharvesting of uhu and goatfish by establishing:

- (1) A fishing bag limit of no more than two of each of kumu, moana ukali, munu, and uhu per person, per day, for recreational, subsistence, or commercial purposes; and
- (2) Creating a minimum size limit of twelve inches in length for all species of uhu, and ten inches in length for kumu, moana ukali, and munu.

A member of the Maui County Council, Sierra Club Hawaii, Maui Tomorrow Foundation, Hanalei Watershed Hui, Save Our Seas, Pacific Whale Foundation, and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported the intent of this measure. Several concerned individuals opposed this bill. The Aha Kiolo Advisory Committee representative for the island of Maui provided comments.

Your Committee finds that the issue of overharvesting is particularly serious on the island of Maui. Accordingly, this bill has been amended by limiting the application of the size restrictions to the island of Maui.

This bill has also been amended by:

- (1) Providing that the law is repealed on the effective date of comparable administrative rules adopted by DLNR; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee also finds that adequate penalty provisions are necessary for the effective enforcement of these requirements. Therefore, your Committee respectfully requests the Committee on Judiciary to consider whether the penalty provisions provided in Chapter 188, Hawaii Revised Statutes, provide a sufficient incentive to comply with these requirements or if an increase in the penalties is warranted.

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. 3260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3260, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Saiki.

SCRep. 665-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 3429

The purpose of this bill is to recognize the ancient Hawaiian tradition of interring remains in caves and lava tubes by expanding the definition of "burial site" to include burial caves or lava tubes for purposes of the historic preservation program.

Several concerned individuals testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Society for Hawaiian Archaeology provided comments.

Your Committee has amended this bill by:

- (1) Broadening the definitions of "burial cave" and "burial site" to include not only entire caves and lava tubes, but also portions of caves and lava tubes, if only a portion of the cave or lava tube was used for or viewed as a burial site; 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. 3429, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3429, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 666-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 3126

The purpose of this bill is to remove a barrier to successful farming activities on Hawaiian Home Lands by increasing the loan ceiling for farm, ranch, and aquaculture operations on Hawaiian Home Lands from \$50,000 to \$200,000.

The Department of Hawaiian Home Lands and Office of Hawaiian Affairs testified in support of this bill.

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. 3126 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, Herkes, Sagum, Ching and Meyer.

SCRep. 667-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2807

The purpose of this bill is to offer two incentives for landowners to designate their land as "important agricultural land".

The first incentive focuses on a landowner who is required to provide affordable housing by the State or a county as a condition of developing a residential or other project. "Affordable housing" means housing affordable to households earning not more than one hundred forty per cent of the median income. Usually, the affordable housing must be provided in the urban district. However, this incentive allows the landowner to fulfill the affordable housing requirement in the rural district without first applying to reclassify the land to urban. The landowner may save money because the reclassification application and processing cost would be avoided and rural land probably would be cheaper than urban land.

Under the second incentive, a landowner may submit a petition to the Land Use Commission for a declaratory order to combine a designation of "important agricultural land" with a reclassification of land to the rural district. The primary benefit of this incentive is the reduction of the permitting time for the reclassification. The petition process is much shorter than the normal district boundary amendment process.

Your Committees received testimony in support of this bill from Alexander & Baldwin, Inc., Maui Land & Pineapple Company, Inc., Kamehameha Schools, Castle & Cooke Hawaii, and Dole Food Company Hawaii. The Department of Agriculture did not support this bill although it expressed support for the concept of incentives for the designation of "important agricultural land". The Office of Planning offered comments.

Your Committees find that Act 183, Session Laws of Hawaii 2005, establishes an orderly process for the designation of "important agricultural land" in the State. One of the major provisions of that Act requires the State and counties to provide incentives for landowners to designate their lands as "important agricultural lands". The incentives contained in this bill are among several incentives being contemplated by the House of Representatives this session.

Upon further consideration and review of this bill, your Committees have made several amendments.

A. Amendments To Affordable Housing Incentive

- (1) In section 1, the language in section 205- (a), Hawaii Revised Statutes, is clarified to read: "[i]n lieu of satisfying a state or county affordable housing assessment in the urban district, a project landowner subject to subsection (b) may fulfill the assessment by providing affordable housing in the rural district in accordance with section 205-2(c)(7)" (page 1, lines 5 to 9, of the H.D. 1). The language in the original bill was ambiguous;
- (2) In the same section, two contradictory provisions in the original bill have been deleted. One provision required the landowner to provide *more* affordable housing in the rural district than required by the state or county assessment (see the proviso on page 1, lines 8 to 10, in the original bill). The other provision required the percentage of affordable housing provided in the rural district to be *less* than required by the state or county assessment (see section 205- (b), Hawaii Revised Statutes, on page 1, lines 11 to 13 of the original bill);
- (3) A newly inserted provision explicitly makes the affordable housing incentive available only to a landowner who has been granted a declaratory order designating all or some of the landowner's land as "important agricultural land" (section 205- (b), Hawaii Revised Statutes, on page 1, lines 10 to 13, of the H.D. 1). Under the original bill, there was no similar connection, and any landowner, even one who did not designate "important agricultural land", could have used the incentive.

A complementary amendment is made to section 205-2(c)(7). The amendment allows the affordable housing only if situated on land reclassified to the rural district under a declaratory order that also designated "important agricultural land" (page 3, lines 14 to 17, of the H.D. 1). Your Committees do not intend that this amendment be construed as precluding other types of homes permitted in the rural district, such as farm worker housing, from being sold or rented to households with not more than one hundred forty per cent of the median income;

- (4) In section 2, the language in section 205-2(c)(7), Hawaii Revised Statutes, is amended by deleting the density exemption for affordable housing in the rural district (page 3, lines 8 and 9, of the original bill). In section 3, the language in section 205-5(c)(7), Hawaii Revised Statutes, is added to require the density of the affordable housing to be established by county zoning (page 4, lines 13 and 14, of the H.D. 1). Under the original bill, the density of an affordable housing project in the rural district would have been unregulated. A landowner theoretically could have built a high density affordable housing project in that district. These amendments make it clear that the density of the affordable housing shall be subject to county zoning as provided under section 205-5(a), Hawaii Revised Statutes, (which is not amended in the H.D. 1).

B. Amendments To Combined "Important Agricultural Land" Designation/Rural or Urban Reclassification Incentive

Under the original bill, a landowner was able to petition the Land Use Commission to designate all or some of the landowner's land as "important agricultural land" or make such a designation in combination with a reclassification of land to the rural district.

The following amendments are made to section 205-45, Hawaii Revised Statutes, as set forth in section 5 of the H.D. 1.

- (5) In section 205-45(a), Hawaii Revised Statutes, language is added to require a petitioner to propose the designation of "important agricultural lands in perpetuity" (page 8, line 1, of the H.D. 1). Complementary language is added in section 205-45(g), Hawaii Revised Statutes, to provide that, after making the "important agricultural land" designation for a petitioner, the Land Use Commission "shall not remove" the designation (page 11, lines 19 to 22, of the H.D. 1). A new section 6 also amends section 205-52, Hawaii Revised Statutes, to prohibit the removal of an "important agricultural land" designation that was approved through a declaratory order (page 12, lines 15-21 and page 13, lines 1-2 of the H.D. 1);
- (6) Section 205-45(b), Hawaii Revised Statutes, adds language authorizing provisions with regard to the petition to seek the combined designation of "important agricultural land" and reclassification of land by:
 - (A) Allowing the petition to seek the reclassification of land to the urban district as well as rural district (page 8, lines 6 and 7, of the H.D. 1);
 - (B) Requiring the rural or urban district reclassification to be consistent with relevant county development or community plans as well as the county general plan (page 8, lines 11 to 13, of the H.D. 1); and

- (C) Requiring the total acreage in the petition to comply with the following proportion: at least eighty per cent of the total acreage shall be proposed for designation as "important agricultural land" and the remainder shall be proposed for reclassification to the rural or urban district (page 8, lines 14 to 21, of the H.D. 1);
- (7) Section 205-45(c), Hawaii Revised Statutes, is amended by adding a new paragraph (4) requiring the petition to include, if applicable, "the current or planned use of the area sought to be reclassified to the rural or urban district" (page 9, lines 15 to 17, of the H.D. 1);
- (8) Section 205-45(d), Hawaii Revised Statutes, is amended by clarifying the requirements for the Land Use Commission's evaluation of a petition. Under the amendment, when a petition seeks to reclassify land to the rural or urban district, the Commission is required to evaluate the following:
- (A) The suitability of the land for reclassification to the rural or urban district in accordance with section 205-2, Hawaii Revised Statutes;
- (B) The consistency of the reclassification with the relevant county general, development, and community plans; and
- (C) The compliance with other provisions, such as the "80-20" proportion now required for the petition (page 10, lines 1 to 7, of the H.D. 1). Another amendment deletes the term "automatic" in reference to the reclassification of land to the rural or urban district (page 4, line 22 of H.B. No. 2807 (the original bill)). The deletion is intended to dispel the notion that the Land Use Commission will not have any discretion over its decision regarding the reclassification;
- (9) Section 205-45(d), Hawaii Revised Statutes, is further amended by adding a statement that, if the Land Use Commission finds that land either should not be granted the "important agricultural land" designation or rural or urban reclassification, the Commission shall deny the petition in its entirety (page 10, line 18, to page 11, line 2, of the H.D. 1). By this amendment, your Committees intend to prevent the situation under which the Commission approves an important agricultural land designation, but denies the accompanying rural or urban reclassification. Your Committees also intend to prevent the reverse situation;
- (10) Section 205-45(e), Hawaii Revised Statutes, is clarified by stating that the petition process shall not be subject to the normal district boundary amendment procedures (page 11, lines 4 to 7, of the H.D. 1);
- (11) Section 205-45, Hawaii Revised Statutes, also is amended by substituting "declaratory order" for "declaratory ruling". "Declaratory order" is the term used in the Land Use Commission's administrative rules;
- (12) In addition to the amendments to section 205-45, Hawaii Revised Statutes, a new section 4 is added that amends section 205-44, Hawaii Revised Statutes, which lists the standards and criteria for designation of "important agricultural land". The amendments provide that, in a petition seeking to both designate "important agricultural land" and reclassify land to the rural or urban district, the land shall be designated as "important agricultural land" only if it meets at least three of the standards and criteria. The three are that the land:
- (A) Has class A or B soil or class C or D soil that is in current agricultural production or may be placed in productive agriculture use with new technology or irrigation;
- (B) Is supported by sufficient water for viable agricultural production; and
- (C) Contributes to maintaining a critical land mass for agricultural productivity (page 5, lines 11 to 17, of the H.D. 1). If the land does not meet all three criteria, the Commission shall deny the petition. Your Committees realize that the standards and criteria are general, but intend that the Commission use its reasonable discretion and judgment in applying the standards and criteria.

C. Other Amendments

- (13) Section 4 also adds a new criterion for designating "important agricultural land". Under the new criterion, land may be designated if, although unsuited for agricultural use because of topography, it is part of a tax map key parcel, most of which meets at least one of the other criterion for designation (page 7, lines 10 to 16, of the H.D. 1). In such a case, the entire parcel must be designated as important agricultural land. This amendment addresses the situation of a large agricultural parcel that is interspersed with gullies or hills that cannot be cultivated. It may be impractical to carve out the gullies and hills from the parcel. This amendment is intended to allow the entire parcel, even the hills and gullies, to be designated as important agricultural land; and
- (14) A new section 7 is added to declare that the Act establishes incentives for the designation of important agricultural lands (page 13, lines 3 to 7, of the H.D. 1). The declaration is intended to satisfy provisions in section 205-46, Hawaii Revised Statutes, and section 9 of Act 183, Session Laws of Hawaii 2005.

Your Committees do not intend for this bill to be construed as affecting section 205-49(a)(3), Hawaii Revised Statutes, which is not being amended. Under that existing section, the Land Use Commission cannot designate more than a majority of a landowner's land as important agricultural land unless the landowner petitions for a larger percentage.

Through this bill, your Committees intend to create incentives that balance the State's interest and desire for the designation of "important agricultural land" with the landowners' need and desire for more development opportunities. Your Committees realize that this bill is

controversial, but find that it should move forward for further consideration. To ameliorate some of the concerns about this bill, your Committees have expressly made the rural or urban reclassification subject to consistency with county general, development, or community plans.

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. 2807, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2807, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 668-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2357

The purpose of this measure is to establish new policies regarding the districting and protection of land in state agricultural districts.

Specifically, the measure protects agriculture by designating land as "important agricultural land", including:

- (1) Certain land in the Central Oahu/North Shore area;
- (2) Land within state agricultural parks;
- (3) State-owned land that the Department of Agriculture determines should remain or be included in the state agricultural district; and
- (4) Other land in the State that is within a "relevant county agricultural zoning district".

Your Committees received testimony in support of the intent of the measure from the Department of Agriculture, the Department of Business, Economic Development, and Tourism, and the Hawaii Agriculture Research Center. Your Committees received testimony in opposition to the measure from the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, the Chamber of Commerce of Hawaii, the Land Use Research Foundation of Hawaii, the Kamehameha Schools, Maui Land and Pineapple Company, Inc., Alexander and Baldwin, Inc., Dole Food Company Hawaii, and Castle and Cooke Hawaii. Your Committees received a request to defer the measure from the City and County of Honolulu's Department of Planning and Permitting.

Your Committees find that one of the main provisions of Act 183, Session Laws of Hawaii 2005, requires the State and counties to establish incentives that would prompt landowners to voluntarily petition to designate their lands as "important agricultural lands". Section 9(a) of Act 183 requires the enactment of incentives as a prerequisite to the designation of "important agricultural land" and adoption of maps by the Land Use Commission. In order to encourage informed decision-making by the legislature, section 9(b) of the Act 183 requires the Department of Agriculture, with the Department of Taxation's assistance, to prepare a report on proposed incentives to the legislature before the 2007 regular session.

The Department of Agriculture has fulfilled this requirement by submission of the *Final Report On The Incentives For Important Agricultural Lands, Act 183, SLH 2005*.

After reviewing the report and considering the testimony received on this measure and House Bill No. 2808, your Committees have decided to adhere to the Act 183 process for designating important agricultural land. Your Committees recognize that both the public and private sectors have expended much time and energy towards following that process. Your Committees feel that this effort should not be wasted by enactment of the new process proposed in this measure.

Accordingly, your Committees have replaced the contents of this measure with the provisions of House Bill No. 2808 (which was heard on the same day as this measure), but with the following amendments:

- (1) The H.D. 1 deletes the real property tax credit (formerly in part III, sections 6 and 7, of H.B. No. 2808). Your Committees have made this deletion because the tax credit would have been a subsidy to the counties. The counties would not decrease real property taxes on "important agricultural lands" since the farmers and landowners would have been made whole by the tax credit;
- (2) The H.D. 1 amends the maximum lot coverage percentage for a residential unit on an important agricultural land parcel from "twenty per cent" to "blank per cent" (page 8, line 7). Your Committees recommend that the percentage inserted later be less than twenty percent;
- (3) The H.D. 1 renames the tax credit for cost incurred on important agricultural land to: "the important agricultural land qualified agricultural cost tax credit" (page 9, lines 11 to 14, and elsewhere in sections 8 and 9) and requires the taxpayer to obtain a letter specifying the qualified agricultural cost from the Department of Agriculture (page 12, line 16). Your Committees have made these amendments at the suggestion of the Department of Taxation in testimony for H.B. No. 2808;
- (4) The H.D. 1 deletes the Water Code amendments concerning the public trust doctrine (formerly sections 15 and 16, of H.B. No. 2808), but retains the amendments requiring additional information in the water use and development plans (section 13, pages 20 to 22). Many testifiers on H.B. No. 2808 objected to the amendments to the public trust doctrine provisions. Your Committees have been persuaded by their arguments, and consequently, those provisions are not included in the H.D. 1. Your Committees, however, have retained the amendments requiring additional information in the water use and development plans. Your Committees believe that the information would be valuable to farmers and landowners and expressly state that these amendments are not intended in any way to revise or otherwise affect the public trust doctrine;

- (5) The H.D. 1 amends the provision relating to the land use permit for agricultural processing facilities to provide consistency with the environmental-related permit provisions for such facilities (page 22, line 18, to page 23, line 3);
- The H.D. 1 also amends the section on health- and environmental-related permits to correct a statutory reference. The correction substitutes "part III of chapter 205" for "this part" (page 24, line 4). Your Committees note that these amendments are only technical in nature;
- (6) The H.D. 1 deletes the provisions relating to satisfying affordable housing requirements in the rural districts and the automatic reclassification of agricultural land to rural districts (formerly part IX, sections 20 to 23, of H.B. No. 2808). Instead, your Committees have addressed these incentives in House Bill No. 2807, H.D. 1;
- (7) The H.D. 1 adds a declaration that satisfies the requirement for important agricultural land incentives (section 16, page 24) under section 9(a)(2)(A) of Act 183, Session Laws of Hawaii 2005; and
- (8) Finally, the H.D. 1 changes the effective date to "July 1, 2020" (page 25, line 4) to allow further discussion on the measure.

Your Committees also request the Committee on Finance to consider the amendments proposed by the Department of Agriculture and Department of Taxation regarding the tax credits in the H.D. 1. These proposed amendments are more appropriately addressed by that Committee.

Your Committees find that this measure, as amended, is a major step in the actual designation of "important agricultural land" as contemplated by article XI, section 3, of the state constitution that was ratified almost thirty years ago. Your Committees believe that, with the H.D. 1, landowners will have sufficient incentives to voluntarily petition for designation of their 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 H.B. No. 2357, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2357, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 669-08 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on H.B. No. 3181

The purpose of this bill is to authorize the development and use of programmatic safe harbor agreements and programmatic habitat conservation plans that cover multiple landowners or a class of landowners and over a wide area or region.

The Department of Land and Natural Resources, and Department of Transportation testified in support of this bill. The Sierra Club, Hawaii Chapter, and Earthjustice opposed this measure.

Your Committees find that there is disagreement over whether this bill would be beneficial to the protection of endangered species, and whether this bill would advance the intent of your Committees to create incentives for landowners to participate in conservation efforts. Accordingly, your Committees have amended this bill by:

- (1) Limiting the issuance of certificates of inclusion to extend coverage of the incidental take license to landowners enrolling in the programmatic agreement or plan at a later date in conjunction with licenses issued as part of a programmatic safe harbor or programmatic habitat conservation plan, to:
- (a) Landowners who provide data to support the findings in section 195D-22(b)(1) through (7) prior to enrollment; and
- (b) Those programmatic agreements or plans reviewed, and if necessary, updated by the Board of Land and Natural Resources under section 195D-21(b)(1)(A) through (C) prior to enrollment;
- and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion;

Technical, nonsubstantive amendments were also 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 Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3181, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3181, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 670-08 Water, Land, Ocean Resources & Hawaiian Affairs/Higher Education/Tourism & Culture on H.B. No. 2429

The purpose of this bill is to maximize the use and income of Aloha Stadium by creating the University of Hawaii Stadium Corporation (Stadium Corporation) and transferring the duty of management, operation, maintenance, and improvement of Aloha Stadium from the Stadium Authority to the Stadium Corporation.

Several concerned individuals testified in support of this bill. The Department of Accounting and General Services, Hawaii Government Employees Association, and United Public Workers, AFSCME, Local 646, AFL-CIO opposed this bill. The University of Hawaii System, Chairperson of the Stadium Authority, Vice-Chair of the Stadium Authority, a Board Member of the Stadium Authority, and the Aloha Stadium Manager provided comments.

Concerns were raised that the transfer of Aloha Stadium to the Stadium Corporation would prevent other current users of the stadium, such as the swap meet and high school athletes, from using the stadium in the future. However, your Committees note that it is not the intent of this bill to limit the use of the stadium to the University of Hawaii athletics program.

Your Committees have amended this bill by:

- (1) Protecting the collective bargaining rights of civil service employees currently working for the Stadium Authority by providing for the transfer of those employees to the Stadium Corporation and making employees of the Stadium Corporation subject to chapters 76 and 89, Hawaii Revised Statutes;
- (2) Inserting language specifically authorizing the Stadium Corporation to negotiate the renaming of Aloha Stadium in exchange for a fee or other consideration;
- (3) Inserting language specifically authorizing the Stadium Corporation Board of Directors to give bonuses to the Stadium Manager and Deputy Stadium Manager based on the revenues of Aloha Stadium;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committees find that both the Aloha Stadium and the commercial value of the University of Hawaii name within the sports community are enormously valuable public assets. Aloha Stadium would benefit from a more flexible management structure to implement innovative revenue-generating measures such as selling naming rights, building skyboxes, and developing additional promotional and marketing strategies. Allowing the Stadium Corporation to manage and operate the Aloha Stadium may also allow the University of Hawaii to generate additional revenues for the benefit of the University of Hawaii athletics program.

However, your Committees are aware that this transfer of jurisdiction may not be the only way to remedy the problems Aloha Stadium currently faces. It may be prudent to consider other measures such as increasing the spending cap on the Stadium Authority's current operating expenditures to allow the Stadium Authority to complete minor repairs without annual legislative approval.

As affirmed by the records of votes of the members of your Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Higher Education and Tourism & Culture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2429, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2429, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Sagum and Ching. (Representative Marumoto voted no.)

SCRep. 671-08 Energy & Environmental Protection on H.B. No. 647

The purpose of this bill is to change the frequency with which the Energy Resources Public-Private Advisory Committee (Advisory Committee) is required to report to the Legislature, from annually to biennially, in even-numbered years only, beginning with the 2010 Regular Session.

The Department of Business, Economic Development, and Tourism (DBEDT) testified in opposition to this bill.

Your Committee notes that the functions of the Advisory Committee, including the discussion and evaluation of issues and concerns, can be carried out by ad hoc groups of various expertise that DBEDT is already authorized to convene. As such, your Committee has amended this bill by repealing the Advisory Committee.

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. 647, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 647, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Sagum.

SCRep. 672-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2486

The purpose of this bill is to require the submission of archival quality black and white photographs of historic buildings to the Department of Land and Natural Resources (DLNR) prior to the issuance of a permit or approval to demolish, reconstruct, or otherwise alter the building.

The Historic Hawaii Foundation testified in support of this bill. DLNR supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on 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. 2486 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 673-08 Consumer Protection & Commerce on H.B. No. 2409

The purpose of this bill is to provide that an agreement to operate or share an automated teller machine (ATM) may not prohibit, limit, or restrict the right of the owner or operator of the ATM to charge a customer transaction fee.

The Hawaii Bankers Association, Central Pacific Bank, and a concerned individual testified in support of this bill. The Hawaii Credit Union League supported the intent of this measure. The Department of Commerce and Consumer Affairs submitted comments.

Under certain business agreements, non-U.S. ATM cardholders are exempt from ATM transaction fees currently paid by domestic cardholders for the same service. These exemptions in some instances may result in higher ATM fees to offset reduced revenue sources. This bill would allow the cost of ATM services to be subsidized by both domestic and non-U.S. cardholders.

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. 2409 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 Ito.

SCRep. 674-08 Judiciary on H.B. No. 2455

The purpose of this bill is to improve Hawaii's campaign spending laws by:

- (1) Specifying that the noncandidate committee contribution limit of \$1,000 per election applies to corporate contributions only when a corporation makes a contribution directly from the corporation's treasury to the noncandidate committee;
- (2) Clarifying that all other corporate contributions shall be subject to the same contribution limitation as that imposed upon an individual or other entity; and
- (3) Allowing surplus campaign funds to be contributed to a political party by a retiring elected official without filing an organizational report to run for office, provided that in any election cycle, aggregate contributions must not exceed \$25,000 in any two-year election period.

A concerned individual supported this bill. The Hawaii Chapter of Americans for Democratic Action, Common Cause Hawaii, Kokua Council, Sierra Club, Hawaii Chapter, Funeral Consumers Alliance Hawaii, Citizen's Voice, and many concerned individuals opposed this bill. The Attorney General and the Campaign Spending Commission submitted comments.

In light of certain suggestions made by the Attorney General, your Committee has amended this measure by clarifying that:

- (1) Any contribution to a candidate or candidate's committee made by a person other than an individual from its own treasury shall not be a contribution to or expenditure by a noncandidate committee with respect to the noncandidate committee contribution limit of \$1,000 per election; and
- (2) Contributions by persons other than individuals, including corporations, limited liability companies, and partnerships, and other entities, organizations, and associations, to a candidate or a candidate's committee shall be subject to the same contribution limits as other persons as provided for in the list of existing campaign contribution limits.

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. 2455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2455, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, McKelvey, Morita. (Representative Thielen voted no.)

SCRep. 675-08 Judiciary on H.B. No. 2602

The purpose of this bill is to provide for more flexibility in campaign spending and donations by:

- (1) Increasing the threshold amount that must be reported in non-candidate committee organizational reports; and
- (2) Doubling the amount a candidate can contribute from surplus campaign funds to a community or charitable organization.

The Hawaii Association of Public Accountants – PAC and a concerned individual testified in support of this bill. The Campaign Spending Commission and The League of Women Voters of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 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. 2602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2602, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, McKelvey and Morita. (Representatives Green and Thielen voted no.)

SCRep. 676-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 266

The purpose of this bill is to effectuate its title.

H.B. No. 266 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Your Committee has amended this bill to provide the substantive contents of this 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 Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the action to report out H.B. No. 266, as amended herein, and recommends that it be recommitted to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs, for the purpose of holding a public hearing thereon, in the form attached hereto as H.B. No. 266, H.D. 1.

Signed by all members of the Committee.

SCRep. 677-08 Finance on H.B. No. 3191

The purpose of this bill is to effectuate its title.

H.B. No. 3191 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. 3191, 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. 3191, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 678-08 Judiciary on H.B. No. 2034

The purpose of this bill is to protect children in motor vehicles by:

- (1) Making it a violation of the Statewide Traffic Code for the vehicle operator or an adult passenger to leave a child under the age of nine unattended in a vehicle for five or more minutes;
- (2) Allowing law enforcement, firefighter, or rescue team personnel to use whatever means reasonably necessary to protect the unattended child or others and to remove the unattended child from the motor vehicle, if they determine that the child is in physical danger or poses a danger to others;
- (3) Requiring law enforcement, firefighter, or rescue team personnel to immediately report the matter to a police officer if the person having care or custody of the unattended child cannot be located within a reasonable time;
- (4) Allowing the police officer to whom the matter is reported to assume protective custody of the child without a court order or consent of the child's family;
- (5) Including testing of an applicant's knowledge of this new violation on the driver's licensing examination; and
- (6) Requiring rental car companies to post notice of this new law in their rental vehicles.

The Department of the Prosecuting Attorney of the City and County of Honolulu, State Farm Mutual Automobile Insurance Company, Kids and Cars, and several concerned individuals supported this bill. The Office of the Public Defender opposed this bill.

Upon further consideration, your Committee has amended this measure by clarifying that the provision requiring testing of an applicant's knowledge of the violation on the driver's licensing examination shall not be repealed when section 286-108, Hawaii Revised Statutes,

is re-enacted pursuant to section 15 of Act 72, Session Laws of Hawaii 2005. 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. 2034, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2034, H.D. 1.

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

SCRep. 679-08 Judiciary on H.B. No. 2254

The purpose of this bill is to protect consumers by prohibiting the deceptive use of the name or trademark of a financial institution, or its affiliates or subsidiaries, in marketing materials and solicitations directed at existing or prospective customers. In addition, this bill allows the Commissioner of Financial Institutions to establish civil penalties for violations of the prohibition on deceptive use.

The Department of Commerce and Consumer Affairs, Hawaii Bankers Association, Hawaii Credit Union League, Hawaii Financial Services Association, and Mortgage Bankers Association of Hawaii supported this bill.

Your Committee has amended this measure by changing its effective date to July 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. 2254, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2254, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita and B. Oshiro.

SCRep. 680-08 Consumer Protection & Commerce on H.B. No. 3106

The purpose of this bill is to ensure safety and quality in the profession of acupuncture by requiring applicants for acupuncture licensure who graduated from foreign institutes to have their educational information evaluated by a professional credentialing evaluator as a prerequisite for taking an exam and getting a license in Hawaii.

The Board of Acupuncture supported this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3106 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 681-08 Judiciary on S.B. No. 1526

The purpose of this bill is to rectify the inadvertent omission of the salaries of the Administrative Director of the Courts (AD) and Deputy Administrative Director of the Courts (Deputy AD), from the salaries reviewed by the Commission on Salaries (Commission), by statutorily establishing the maximum amounts of the two salaries. Specifically, this bill:

- (1) Sets the maximum salary of the AD at 80 percent of the salary of the Chief Justice; and
- (2) Sets the maximum salary of the Deputy AD at 95 percent of the salary of the AD.

The Judiciary testified in support of this bill.

Your Committee has amended this bill by setting the salaries of the AD and Deputy AD as follows, effective July 1, 2008:

- (1) The salary of the AD shall be identical to that of the Administrative Director of the State (also known as the Governor's Chief of Staff); and
- (2) The salary of the Deputy AD shall be identical to the maximum salary for a deputy department head.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1526, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1526, 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 Evans, McKelvey and Morita.

SCRep. 682-08 Higher Education/International Affairs on H.B. No. 2045

The purpose of this bill is to statutorily establish a global youth center under the University of Hawaii (UH) that will generate and link an international framework in which youth from around the world may become actively engaged in the attainment of world peace, environmental sustainability, and human and economic productivity for future generations.

The Asia Pacific Education Program of the East-West Center, Reford-McCandless International, United National Association of the United States of America Hawaii Division, and many concerned individuals testified in support of this bill. UH supported the intent of this measure.

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 H.B. No. 2045 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 Belatti, Berg, Saiki, Tokioka, Ching and Finnegan.

SCRep. 683-08 Consumer Protection & Commerce on H.B. No. 2460

The purpose of this bill is to clarify the permitted investments of condominium association funds, by specifying that condominium associations may invest association funds in certificates of deposit through the Certificate of Deposit Account Registry Service (CDARS) network.

The Hawaii Bankers Association testified in support of this bill. The Real Estate Commission and Hawaii Legislative Action Committee of the Community Association Institute submitted comments.

CDARS is a program that allows access to millions of dollars in Federal Deposit Insurance Corporation insurance coverage for certificates of deposit through a single financial institution. This type of investment option is especially useful for condominium associations with large memberships and considerable funds to invest. While associations appear to already have this option under section 514B-149(c)(2)(A), Hawaii Revised Statutes, this bill seeks to remove any uncertainty as to the permissibility of these types of condominium association investments.

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. 2460 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 Ito.

SCRep. 684-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2522

The purpose of this bill is to promote smart growth in the growth and development of land by:

- (1) Increasing the size of land for which a land use district boundary amendment petition for rural, urban, and non-important agricultural lands agricultural district lands may be filed with the county from 15 acres to 50 acres; and
- (2) Extending the authority of the county land use decision-making authority to consolidate their boundary amendment proceedings with other county proceedings to amend land use maps contained in a county general plan, county community, development, or community development plan.

The Office of Planning, City and County of Honolulu Department of Planning and Permitting, Land Use Research Foundation of Hawaii, and Hawaii Association of REALTORS supported this bill. The Department of Agriculture supported the intent of this measure. The Office of Hawaiian Affairs, Sierra Club, Hawaii Chapter, Hawaii's Thousand Friends, and several concerned individuals opposed this bill. The University of Hawaii Environmental Center and Life of the Land provided comments.

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. 2522 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 Carroll, Morita and Wakai. (Representatives Berg, Saiki and Thielen voted no.)

SCRep. 685-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2523

The purpose of this bill is to require the Land Use Commission to consider the County General Plan and all community, development, or community development plans adopted pursuant to the County General Plan in relation to the land subject to reclassification, when reviewing a petition for reclassification of a district boundary.

The Office of Planning, City and County of Honolulu Department of Planning and Permitting, Council Chair of the Maui County Council, Building Industry Association of Hawaii, The Chamber of Commerce of Hawaii, and a concerned individual testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on 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. 2523 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. 686-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2525

The purpose of this bill is to promote smart growth practices in the Hawaii Community Development Authority's (HCDA) community development districts by requiring HCDA to incorporate smart growth principles within its community development rules.

HCDA, the Office of Hawaiian Affairs, and a concerned individual testified in support of this bill. The Hawaii Association of REALTORS supported the intent of this measure. The Hawaii Building & Construction Trades Council, AFL-CIO 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. 2525 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. 687-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2526

The purpose of this bill is to promote coordinated statewide planning by:

- (1) Incorporating smart growth principles in the State Plan; and
- (2) Recommending that county general plans, as they pertain to land development, comply with smart growth principles.

The Windward Ahupua'a Alliance and a concerned individual testified in support of this bill. The Hawaii Association of REALTORS and Castle & Cooke Hawaii supported the intent of this measure. The Hawaii Building & Construction Trades Council, AFL-CIO 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. 2526 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. 688-08 Judiciary on H.B. No. 3383

The purpose of this bill is to promote consistency in sentencing laws by requiring multiple terms of imprisonment, whether imposed at the same time or at different times, to run concurrently unless the court orders or the statute mandates that the terms run consecutively.

The Office of the Public Defender (Public Defender), Community Alliance of Prisons, and a concerned individual supported this bill. The Department of Public Safety (DPS) submitted comments.

The Public Defender indicated a willingness to cooperate with DPS on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3383 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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

SCRep. 689-08 Finance on H.B. No. 2040

The purpose of this bill is to authorize and appropriate funds for an independent study and analysis of Hawaii's economy, including recommendations for public policy changes to begin to address the cost-of-living, affordability, and quality-of-life issues that the residents of Hawaii face.

The Chamber of Commerce of Hawaii, Hawaii Habitat for Humanity Association, and several concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism 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. 2040 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 Magaoay, Manahan, Nakasone and Meyer.

SCRep. 690-08 Finance on H.B. No. 2671

The purpose of this bill is to more effectively use land in Kakaako by authorizing the issuance of general obligation bonds for planning the construction of a centralized parking structure that is easily accessible by customers, patients, and employees of both public and private development projects in the Kakaako makai area of Honolulu.

The University of Hawaii, Office of Hawaiian Affairs, Kamehameha Schools, Hawaii Building and Construction Trades Council, AFL-CIO, 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. 2671 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 Magaoay, Manahan and Nakasone.

SCRep. 691-08 Finance on H.B. No. 2873

The purpose of this bill is to preserve Hawaii's unique natural and cultural resources by clarifying that the fundamental purpose of the state park system is to conserve park resources and values, and that whenever there is a conflict between conservation and providing for the use and enjoyment of these resources and values, conservation shall be the predominant concern.

The Sierra Club, Hawaii Chapter, Malama Kauai, and many concerned individuals testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2873 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 Nakasone.

SCRep. 692-08 Finance on H.B. No. 2962

The purpose of this bill is to protect the health and safety of Hawaii's children and youth while working towards their betterment by appropriating funds for the implementation of the Safe Haven Model Demonstration Program in the County of Hawaii.

Waiakea Settlement YMCA 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. 2962 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 Magaoay, Manahan, Nakasone and Meyer.

SCRep. 693-08 Finance on H.B. No. 2966

The purpose of this bill is to permit a lessee of certain public lands to sublet any portion of the demised premises without the approval of the Board of Land and Natural Resources (BLNR), upon meeting certain conditions.

BLNR provided comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2966 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 Magaoay, Manahan, Nakasone and Meyer.

SCRep. 694-08 Finance on H.B. No. 3037

The purpose of this bill is to appropriate emergency funding to the Department of Accounting and General Services (DAGS) to address funding shortfalls for the Stadium Authority due to statewide increases in electricity, sewer, refuse, and insurance premium costs.

This bill appropriates \$271,852 from the Stadium Special Fund for fiscal year 2007-2008 to pay electricity, sewer, refuse, and insurance premium bills.

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.

DAGS 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. 3037 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 Awana and Nakasone.

SCRep. 695-08 Finance on H.B. No. 3038

The purpose of this bill is to appropriate emergency funding to the Department of Accounting and General Services (DAGS) to address increases in electricity rates.

This bill appropriates \$1,000,000 in general funds for fiscal year 2007-2008 to pay electricity bills for 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. 238 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

DAGS 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. 3038 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 Awana and Nakasone.

SCRep. 696-08 Consumer Protection & Commerce on H.B. No. 2894

The purpose of this bill is to enhance and expand the application of Chapter 421J, Hawaii Revised Statutes (HRS), which sets forth the rights and obligations of planned community associations, by among other things:

- (1) Expanding the application of Chapter 421J, HRS, to include an association whose declaration is not recorded with the Bureau of Conveyances or Land Court;
- (2) Allowing and setting forth procedures for the restatement of planned community association documents by a resolution adopted by the association board; and
- (3) Allowing association documents that may be amended by a vote of association members at a meeting to also be amended by the written consent of the same percentage of association members without a meeting.

The Kaanapali Hillside Homeowners' Association testified in support of this bill. A concerned individual submitted comments.

Your Committee notes that the current language of this bill may need to be adjusted as this measure moves further along. For example, while this bill provides that restated association documents supersede the original association documents, it also provides that in the event of any conflict, the restated association documents are subordinate to the original association documents.

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. 2894 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 Evans, Morita and Sonson.

SCRep. 697-08 Judiciary on H.B. No. 2656

The purpose of this bill is to include a reciprocal beneficiary as a member of a candidate's immediate family with regard to laws pertaining to campaign contributions.

The Hawaii Civil Rights Commission, American Civil Liberties Union of Hawaii, Gay and Lesbian Education and Advocacy Foundation, Honolulu Hawaii Chapter of the National Association for the Advancement of Colored People, Japanese American Citizens League of Hawaii Honolulu Chapter, and several concerned individuals testified in support of this bill. The Campaign Spending Commission 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 H.B. No. 2656 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 Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 698-08 Consumer Protection & Commerce on H.B. No. 3305

The purpose of this bill is to clarify and improve the implementation of the recodified condominium law through various amendments to Chapter 514B, Hawaii Revised Statutes (HRS).

The Community Association Institute testified in support of this bill. The Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, and Real Estate Commission submitted comments.

Concerns were raised regarding the amendment in this bill that would only require that minutes of condominium association meetings be released to unit owners "prior to the next association meeting," instead of within 30 days of the association board's approval of the minutes under current law. This amendment would allow late releases of the minutes just prior to the next association meeting, at which actions may be taken on those minutes without adequate time for unit owners to review them.

Additionally, this bill appears to repeal the voting mechanism for the replacement of removed association board members without providing a substitute provision.

Accordingly, your Committee has amended this bill by:

- (1) Requiring copies of approved minutes of association meetings to be given to unit owners within 30 days of approval;
- (2) Restoring the voting mechanism for the replacement of removed association board members; and
- (3) Clarifying the definition of "approval," which is used in Chapter 514B, HRS, in reference to not only unit owners but also association boards and the Real Estate Commission.

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 H.B. No. 3305, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3305, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 699-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2692

The purpose of this measure is to amend various sections of volume 11 of the Hawaii Revised Statutes to correct errors and clarify language.

Your Committees find that all of the statutory amendments proposed by the measure are of a housekeeping nature and are done simply to correct the types of errors noted in the title of this bill.

Your Committees have amended this bill by:

- (1) Deleting the amendments to sections 482E-6 and 489D-8, Hawaii Revised Statutes, as proposed in sections 48 and 79 of this bill, respectively; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2692, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2692, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Sonson and Yamane.

SCRep. 700-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2691

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes relating to condominiums to reflect the existence of two different chapters relating to condominiums.

The Legislative Reference Bureau testified in support of this bill.

Act 164, Session Laws of Hawaii 2004, repealed portions of chapter 514A, Hawaii Revised Statutes, relating to condominium property regimes, and enacted a new condominium law, codified as chapter 514B, Hawaii Revised Statutes. Act 164 also substituted chapter 514B in place of 514A in a number of cross-references. Act 244, Session Laws of Hawaii 2007, reinstated the portions of chapter 514A that were repealed in the 2004 legislation, resulting in two operative chapters relating to condominiums, but did not, among other things, reinstate chapter 514A in the cross-references from which it had been deleted.

Your Committees find that all of the statutory amendments proposed by this measure are of a technical housekeeping nature and are done simply to correct the types of errors noted in the title of this bill.

Your Committees have amended this bill by:

- (1) Making the amendments to section 26-9(o) in section 3(2) of this bill (relating to the section 514A-131 fund) retroactive to July 1, 2006, so as not to jeopardize the administration of the fund in question;
- (2) Rephrasing the term "association of apartment owners or unit owners' association" to read "association of owners under chapter 514A or 514B"; 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 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. 2691, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2691, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Sonson and Yamane.

SCRep. 701-08 Judiciary on H.B. No. 1758

The purpose of this bill is to increase the threshold value of property and services for the offense of theft in the second degree from \$300 to \$1,000.

The Office of the Public Defender supported this bill. The Attorney General, Honolulu Police Department, Department of the Prosecuting Attorney for the County of Maui, Department of the Prosecuting Attorney for the City and County of Honolulu, and the Office of the Prosecuting Attorney for the County of Hawaii opposed this bill.

Your Committee has amended this measure 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. 1758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 702-08 Judiciary on H.B. No. 2216

The purpose of this bill is to provide public officials with more flexibility in conducting public business by allowing any number of public board members constituting less than a quorum of the board to discuss official board business outside of a duly noticed public meeting, to enable the members to perform their duties faithfully and as long as no commitment to vote is made or sought.

The Maui County Council, a member of the Maui County Council, a member of the Honolulu City Council, two members of the Kauai County Council, and the Hawaii Civil Rights Commission testified in support of this bill. The League of Women Voters of Hawaii opposed this measure. The Office of Information Practices submitted comments.

Your Committee notes that, while this measure addresses the general issue of permitted interactions between members of a public board, H.B. No. 1968, which is also being considered by your Committee, addresses this matter within more specific contexts.

Your Committee has amended this bill 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. 2216, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2216, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 703-08 Judiciary on H.B. No. 2217

The purpose of this bill is to provide for openness in government while expediting governmental functions by requiring the Office of Information Practices (OIP) to respond within 60 days from the date of a written OIP request from:

- (1) Any state or county board or board member for a written advisory opinion regarding meetings; and
- (2) Any state or county agency for an advisory opinion concerning the agency's functions and responsibilities.

The Maui County Council, Hawaii State Association of Counties, several members of the Kauai County Council, and a member of the Maui County Council testified in supported of this bill. OIP opposed this measure.

Your Committee notes that failure to receive a timely written opinion from OIP can significantly affect the ability of a governmental body to carry out its duties to the public. Accordingly, your Committee has amended this bill by limiting its scope to written requests from county councils and their members only, and by extending to 90 days from the date of receipt of the requests, the time period within which OIP must provide a written opinion.

Your Committee has further amended this bill by:

- (1) Changing its 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. 2217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2217, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 704-08 Judiciary on H.B. No. 2697

The purpose of this bill is to statutorily authorize:

- (1) The Intermediate Appellate Court (Court) to subpoena and compel the attendance of witnesses and production of books, paper, documents, or tangible things; and
- (2) Any judge of the Court to administer oaths.

The Judiciary 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. 2697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2697, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 705-08 Judiciary on H.B. No. 1978

The purpose of this bill is to make permanent the prohibition against urinating or defecating in a public place in Downtown Honolulu.

The Honolulu Police Department, Downtown Neighborhood Board No. 13, and several concerned individuals testified in support of this bill. Several concerned individuals provided comments.

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. 1978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1978, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine. (Representative Thielen voted no.)

SCRep. 706-08 Judiciary on H.B. No. 2730

The purpose of this bill is to establish legal requirements for neighborhood board meetings (meetings). Specifically, this bill provides requirements relating to:

- (1) The agenda and public notice of meetings;
- (2) Receiving information or testimony at a meeting without a quorum;
- (3) Participation or attendance of board members at informational meetings or presentations, and discussions; and
- (4) Discussion and deliberation of unanticipated events at meetings.

The Chair of the Neighborhood Commission and several concerned individuals testified in support of this bill. The Society of Professional Journalists, Hawaii Chapter, opposed this measure. The Chamber of Commerce of Hawaii did not support this bill. The Office of Information Practices (OIP), League of Women Voters of Hawaii, and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Clarifying the definition of neighborhood board to include neighborhood boards overseen by county-based commissions in counties other than the City and County of Honolulu, if established in the future;
- (2) Deleting the term "deliberation" to further emphasize that the provisions are to allow discussions only and not to allow agreement on how to vote, pursuant to the testimony of the OIP; 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. 2730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2730, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 707-08 Judiciary on H.B. No. 3013

The purpose of this bill is to add a new section to Chapter 14, Hawaii Revised Statutes, allowing member states to determine the winner of a presidential election by "national popular vote."

The Center for Voting and Democracy supported this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Codifying the "Agreement Among the States to Elect the President by National Popular Vote" within Chapter 14, HRS; and
- (2) Making other 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. 3013, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3013, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, McKelvey and Morita. (Representatives Pine and Thielen voted no.)

SCRep. 708-08 Judiciary on H.B. No. 1968

The purpose of this bill is to allow board members, including members of State or county agencies, boards, commissions, authorities, and committees, more flexibility to conduct business, while safeguarding the public's interest in participating in the formation and conduct of public policy, by making amendments to statutory provisions on permitted interactions of board members and quorum requirements.

The Hawaii Civil Rights Commission testified in support of this bill. Office of Information Practices (OIP) supported this measure and provided comments. The Society of Professional Journalists Hawaii Chapter opposed this bill. The Board of Education and the Chamber of Commerce of Hawaii provided comments.

Your Committee agrees that Chapter 92, Hawaii Revised Statutes (HRS), relating to public agency meetings, also known as the "Sunshine Law," could be modified to allow greater flexibility for public agency meetings without undermining its fundamental purpose of encouraging public participation in the formation of public policy. Your Committee notes that OIP expressed, in written and oral testimony, its general support for this measure. Your Committee has amended this measure by taking into account suggestions made by OIP, including:

- (1) Allowing private administrative discussions on officer selection and committee assignments not only by less than the number of members constituting a quorum, but also by a quorum or majority of the members;
- (2) Requiring board members who intend to discuss their individual positions relating to official board business at a meeting of another board or a public hearing of the legislature to announce in advance their intention to attend and participate in the meeting or hearing when reasonably practicable, and report their attendance and matters discussed at the meeting or hearing at the next duly noticed meeting of the board on which they sit;
- (3) Requiring board members who attend presentations that involve matters relating to official board business to report their attendance and matters presented and discussed at the presentation at the next duly noticed meeting of the board on which they sit; and
- (4) Clarifying that informational presentations to a board without a quorum must be noticed on an agenda pursuant to section 92-7, HRS.

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.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1968, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 709-08 Health/Human Services & Housing on H.B. No. 2138

The purpose of this bill is to embrace the spirit of gratitude and respect that caregivers deserve by designating the first Saturday of the month of November as "Caregiver Recognition Day."

The Executive Office on Aging and Policy Advisory Board for Elder Affairs supported this bill.

Your Committees have amended this bill by:

- (1) Including all long-term care facilities and community home-based institutions among those parties being recognized on "Caregiver Recognition Day;" 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. 2138, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2138, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 710-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2355

The purpose of this bill is to encourage proper land use by placing a moratorium on the issuance of permits for the construction of wells intended to serve agricultural land parcels likely to be used for "fake farms" or "gentleman estates," until the first designation of important agricultural lands is made by the Land Use Commission.

The Department of Land and Natural Resources supported the intent of this bill. The Office of Hawaiian Affairs supported this measure with amendments. The Hawaii Association of REALTORS opposed this bill. The Department of Agriculture provided comments.

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. 2355, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2355, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Herkes, Sagum, Ching and Meyer.

SCRep. 711-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2361

The purpose of this bill is to define state agricultural lands and designate state agricultural lands as "important agricultural lands."

The Department of Land and Natural Resources (DLNR) and the Office of Planning (OP) submitted testimony in support of the intent of this measure with amendments. The Department of Agriculture (DOA) submitted comments.

DLNR and OP agreed that it would be better for both departments to collaboratively identify the public lands that should be designated as important agricultural lands. This will enable agricultural experts to participate in the review process.

Your Committees find that the State should take the lead in designating public lands that are situated in the agricultural district as important agricultural lands. The intention is that the State's effort in this regard will serve as an example to private landowners and encourage them to similarly designate their lands.

Upon further consideration, your Committees have amended this measure by:

- (1) Requiring DOA and DLNR to collaboratively identify public lands that should be designated as important agricultural lands;
- (2) Requiring DOA and DLNR to use the existing standards and criteria under section 205-44, Hawaii Revised Statutes;

- (3) Providing that the designation of important agricultural lands by the departments shall not be subject to the district boundary amendment procedures of the Land Use Law or the declaratory order procedures of the Important Agricultural Lands Law; and
- (4) Requiring DOA to manage, administer, and exercise control over public lands that are designated as important agricultural lands pursuant to this measure.

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. 2361, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2361, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 712-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2243

The purpose of this bill is to provide that a zoning ordinance adopted by the county is not invalidated by a reclassification of land pursuant to the state land use laws, if the uses allowed under the zoning ordinance are permissible uses under the new classification.

The Council Chair of the Maui County Council, Dowling Company, Inc., Hanohano LLC, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. The Office of Planning supported the intent of this measure. The City and County of Honolulu Department of Planning and Permitting provided comments.

Your Committee has amended this bill by:

- (1) Specifying that only zoning ordinances adopted prior to January 1, 1980, cannot be invalidated by a reclassification of the state land use designation, if the use under the zoning ordinance is a permissible use under the reclassification;
- (2) Moving the statutory provisions from Chapter 46, Hawaii Revised Statutes (HRS), relating to county zoning powers, to Chapter 205, HRS, relating to state land use laws;
- (3) Changing the effective date to July 1, 2050, 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 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. 2243, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2243, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Carroll. (Representative Thielen voted no.)

SCRep. 713-08 Finance on H.B. No. 1975

The purpose of this bill is to support international relations by establishing a Legislative Protocol Fund to welcome and extend protocol courtesies to visiting international dignitaries and government officials.

The Representative of the 17th District and a concerned individual testified in support of this bill.

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

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

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 714-08 Finance on H.B. No. 2874

The purpose of this bill is to ensure adequate funding to operate and maintain Kokee and Waimea Canyon State Parks on Kauai. This bill establishes a sub-account within the State Parks Special Fund, into which shall be deposited 100 percent of all revenues collected from concessions, leases, commissions, and user fees generated from these parks, less any amounts due to the Office of Hawaiian Affairs. Revenues from this sub-account will be used to repair, maintain, and operate these two parks.

A Kauai County Councilmember and numerous individuals testified in support of this bill. The Department of Land and Natural Resources opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting the percentage of revenues to be deposited into the sub-account;
- (2) Inserting a defective date of 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. 2874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2874, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 715-08 Finance on H.B. No. 2956

The purpose of this bill is to allow the Board of Land and Natural Resources (BLNR) and Department of Land and Natural Resources (DLNR) to react quickly to changing conditions relating to hunting by authorizing BLNR and DLNR to make decisions and changes with respect to certain hunting issues, without adopting rules pursuant to chapter 91, Hawaii Revised Statutes (HRS).

DLNR, the Lanai Institute for the Environment and a concerned individual supported this bill. A concerned individual opposed this measure.

Your Committee has amended this bill by:

- (1) Establishing that BLNR's statutory powers to make decisions and changes exist regardless of any administrative rules pertaining to game bird and mammal hunting;
- (2) Providing that these decisions and changes cannot be made until after 30-days public notice has been given; 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. 2956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2956, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 716-08 Finance on H.B. No. 3340

The purpose of this bill is to protect and preserve Kawai Nui Marsh on the island of Oahu, a wetland of international importance and an ecological and cultural treasure to the state, by establishing a Kawai Nui Marsh Advisory Council (Council) to:

- (1) Review and assist in updating the Kawai Nui Marsh Master Plan (Master Plan);
- (2) Facilitate implementation of the Master Plan;
- (3) Enhance community education and cultural awareness of Kawai Nui Marsh; and
- (4) Participate in the protection and preservation of Kawai Nui Marsh's natural resources.

The Office of Hawaiian Affairs, Windward Ahupuaa Alliance, and a concerned individual testified in support of this bill. The Department of Land and Natural Resources (DLNR) and City and County of Honolulu Department of Facility Maintenance supported the intent of this measure. Ahahui Malama I ka Lokahi supported this bill with amendments. The Kawai Nui Heritage Foundation provided comments.

Your Committee has amended this bill by:

- (1) Increasing the membership of the Council from ten to 12 voting members, and from three to five ex-officio members;
- (2) Replacing the representative on the Council from the Kawai Nui Marsh Heritage Foundation with a representative from Ahahui Malama I ka Lokahi;
- (3) Providing that the two cultural representatives be appointed by Kailua Hawaiian Civic Club and Ahahui Malama I ka Lokahi;
- (4) Adding membership on the Council for:
 - (A) DLNR Division of State Parks;
 - (B) The United States Fish and Wildlife Service;
 - (C) The Kailua Chamber of Commerce; and
 - (D) A student representative from a Kailua area school;
- (5) Clarifying that the Master Plan the Council is required to review is the 1994 Kawai Nui Marsh Master Plan;

- (6) Requiring the Council to also revise the Master Plan;
- (7) Providing that the Master Plan should also include Hamakua wetlands and adjacent waterways that enter into Kawai Nui Marsh from Maunawili and Kapaa Valleys and flow into Kailua Bay (ahupuaa of Kailua);
- (8) Clarifying that the Council is also responsible for participating in the protection and preservation of Kawai Nui Marsh's cultural resources;
- (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 H.B. No. 3340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3340, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 717-08 Finance on H.B. No. 2611

The purpose of this bill is to help preserve the history of Hawaii's monarchy by establishing standards and conditions for the receipt of funds appropriated to the State of Hawaii Museum of Monarchy History.

The Friends of Iolani Palace testified in support of this bill.

Your Committee has amended this measure by:

- (1) Clarifying that the State of Hawaii Museum of Monarchy History must meet the standards and conditions established under this bill prior to the disbursement of any state funds; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2611, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2611, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 718-08 Consumer Protection & Commerce on H.B. No. 2408

The purpose of this bill is to improve the regulation of mortgage brokers and mortgage solicitors by, among other things:

- (1) Transferring regulatory oversight within the Department of Commerce and Consumer Affairs (DCCA) from the Director of Commerce and Consumer Affairs to the Commissioner of Financial Institutions (Commissioner);
- (2) Authorizing the Commissioner to examine mortgage brokers and solicitors (now known as loan originators under this bill) for compliance with laws, and to impose fines and suspend, restrict, revoke, or terminate licenses for violations;
- (3) Requiring pre-licensure examinations;
- (4) Requiring license applicants to disclose arrest and conviction records;
- (5) Establishing continuing education requirements for license renewals;
- (6) Setting bond amounts depending on the size of the brokerage firm;
- (7) Requiring mortgage brokerage firms to designate a principal mortgage broker responsible for the supervision and management of the firm and its mortgage brokers and loan originators;
- (8) Adding restrictions on advertising, including prohibiting misleading communications or advertisements, and on door-to-door sales; and
- (9) Increasing the monetary penalty for violations of the mortgage broker law.

The Hawaii Association of Mortgage Brokers, Hawaii Credit Union League, State Farm Insurance Companies, First Hawaiian Bank, and Primerica Financial Services Home Mortgages, Inc., testified in support of this bill. The Hawaii Financial Services Association supported the intent of this measure. DCCA opposed this bill.

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

- (1) Removing the provision specifying that the mortgage broker law does not make a loan originator an employee of the mortgage broker, notwithstanding the supervisory duties of the mortgage broker over the loan originator;
- (2) Exempting mortgage brokers who qualify as foreign lenders from having to register to do business in Hawaii and to maintain a principal place of business in Hawaii for business transactions;
- (3) Adding provisions authorizing the Commissioner to establish and modify by rule requirements necessary for Hawaii to participate in a Uniform Multistate Automated Licensing System for mortgage brokers and individual loan originators;
- (4) Defining "mortgage brokerage agreement" and other terms and amending provisions of the mortgage broker law to restrict the law to residential mortgage loans only;
- (5) Allowing licensees to initiate prearranged meetings at the borrower's home for the purpose of offering, soliciting, or selling residential mortgage loans;
- (6) Providing exemptions from the mortgage broker law for the following:
 - (A) Employees and agents of a bank affiliate wholly owned by the holding company that owns the bank; and
 - (B) Clerical and administrative employees of a mortgage brokerage firm who do not solicit borrowers or negotiate the terms of residential mortgage loans;
- (7) Authorizing the Commissioner to revoke, suspend, or restrict licenses or to impose fines for the following:
 - (A) Without the potential borrower's express consent:
 - (i) Filling in residential mortgage loan applications with material information; or
 - (ii) Filling in any instrument evidencing or securing a residential mortgage loan with information relating to the loan amount, interest rate, or monthly payment of the loan;
 - (B) Making payment to any appraiser to influence the valuation of the residential real property that will secure a residential mortgage loan; and
 - (C) Conditioning an appraiser's compensation on establishing a certain value for residential real property that will secure a residential mortgage loan;
- (8) Specifying the types of fees that a mortgage broker or loan originator may charge a borrower prior to the loan closing, including processing, application, rate lock, commitment, and cancellations fees;
- (9) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2408, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2408, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 719-08 Consumer Protection & Commerce on H.B. No. 2591

The purpose of this bill is to help consumers maximize the value of gift certificates by requiring retailers to pay out in cash the balance of any gift certificate worth less than \$5, if requested by the customer.

The Department of Commerce and Consumer Affairs and First Hawaiian Bank testified in support of this bill. Retail Merchants of Hawaii, Gyotaku Japanese Restaurants, and a concerned individual opposed this measure.

Concerns were raised regarding the potential difficulties this bill may pose for smaller retailers who may struggle with the costs of providing cash back even on amounts less than \$5 per gift card. Your Committee also received testimony noting the purchase of gift cards that have a starting value of \$5 or less.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the provision requiring retailers to pay out in cash the balance of any gift certificate worth less than \$5, if requested by the customer;
- (2) Clarifying the gift certificate law by adding to the list of gift certificates and cards that are exempt from that law; and
- (3) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2591, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 720-08 Water, Land, Ocean Resources & Hawaiian Affairs/Human Services & Housing on H.B. No. 2732

The purpose of this bill is to increase the reserved housing requirement for a planned development on a lot of at least one acre in the Kakaako Community Development District, Mauka area.

Central Pacific Bank, Marshall Realty, Inc., Marcus and Associates, Inc., and several individuals submitted testimony in support of this measure. The Hawaii Community Development Authority, Kamehameha Schools, The Gas Company, Servco Pacific Inc., CUNA Mutual Group, General Growth Properties, Inc., and the Land Use Research Foundation of Hawaii submitted testimony in opposition to this measure.

The Kakaako Community Development District was envisioned as a mixed use community, including residential, commercial, and industrial uses. The residential development of the district is intended to encompass housing for families of various income levels. The State has invested at least \$200,000,000 in public funds for the infrastructure of the district to advance this goal. This investment has sparked increased private investment and development plans for the area. However, development projects in recent years have eluded affordable housing and have focused primarily on luxury homes for high-income families.

Your Committees find that this measure is necessary to promote the development of affordable housing in the Kakaako Community Development District and achieve the mixed use community that was intended for the district. Your Committees recognize that this measure places a burden on developers. However, the Kakaako Community Development District is inundated with retail and commercial uses and more emphasis should be placed on meeting the affordable housing component of the mixed use community.

This measure only applies to a development that exceeds the base zoning. However, there is a concern that, in the future, the Hawaii Community Development Authority (HCDA) may increase the density and height of the base zoning. In consideration of this and other factors, your Committees have amended this measure by, among other things:

- (1) Imposing reserve housing unit requirements not only on a planned development that exceeds base zoning (Major Development (A)), but also on a development that conforms with the base zoning, but has a floor area ratio exceeding 1.5 or a structure height exceeding 45 feet, or both (Major Development (B)), and referring to both types of development collectively as "Major Development";
- (2) Reducing that portion of the Major Development's countable floor area required for reserved housing units to 25 percent; provided that on January 1, 2018, the percentage increases to not less than 35 percent, unless the requirement is repealed after a study determining the sufficiency of affordable housing is submitted to the Legislature prior to the 2017 Regular Session;
- (3) Allowing a two-bedroom with one bathroom unit to qualify as a reserve housing unit;
- (4) Calculating the countable floor area based on the plan submitted to HCDA prior to the building permit application, to determine the reserved housing unit requirement for Major Development (B);
- (5) Prohibiting, rather than allowing, a Major Development to satisfy the reserved housing requirement by cash payment;
- (6) Requiring that reserved housing units be constructed prior to or concurrently with the construction of the other uses of the development;
- (7) Entitling the developer of a Major Development to credits for the number of reserved housing units that exceed the applicable requirement and permitting the credits to be transferred or sold to other developments in satisfaction or partial satisfaction of the reserved housing requirements;
- (8) Requiring HCDA to prohibit developers of a Major Development (B) on a lot of at least one acre from submitting a building permit application to the City and County of Honolulu until the adoption of implementing rules;
- (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 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. 2732, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2732, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 721-08 Judiciary on H.B. No. 2204

The purpose of the bill is to protect government entities from being held to strict liability standards for "owning" firearms used by government employees, by removing government entities from the definition of "firearm owner" for the purpose of establishing liability.

The County of Hawaii testified in support of this bill. The Hawaii Rifle Association and Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended the bill by:

- (1) Inserting language specifying that, although government entities have been removed from the definition of "firearm owner" for absolute liability purposes, government entities shall otherwise still be liable in tort;
- (2) Inserting a savings clause; 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. 2204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2204, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 722-08 Judiciary on H.B. No. 2391

The purpose of this bill is to authorize deputy attorneys general, except for the first deputy, to provide pro bono legal services that do not conflict with the duties of the deputy's office.

The Legal Aid Society of Hawaii and Volunteer Legal Services Hawaii testified in support of this bill. The Attorney General 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2391, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 723-08 Judiciary on H.B. No. 2476

The purpose of this bill is to:

- (1) Repeal the existing offense of cruelty to animals as it relates to fighting dogs; and
- (2) Establish a more comprehensive prohibition against dog fighting for monetary gain or entertainment (prohibition).

Your Committee received testimony in support of this measure from the Humane Society of the United States, Hawaiian Humane Society, and many concerned individuals. The Office of the Public Defender opposed this measure. The Department of the Prosecuting Attorney for the City and County of Honolulu submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the provision that specifies that being present at a dog fight falls within the scope of the prohibition;
- (2) Clarifying that the prohibition applies to a person who knowingly possesses any dog intended by the person to be used for a fight;
- (3) Inserting a definition for "device";
- (4) Changing its 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. 2476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2476, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 724-08 Judiciary on H.B. No. 2557

The purpose of this bill is to establish a limited privilege for persons involved in news gathering and reporting against compelled disclosure of sources and unpublished information to a legislative, executive, or judicial officer or body, or to any other person with the power to compel testimony.

The League of Women Voters of Hawaii, Honolulu Community Media Council, and several concerned individuals supported this bill. The Screen Actors Guild Hawaii Branch, American Federation of Musicians, and Local 677 supported the intent of this measure. The Society of Professional Journalists – Hawaii Chapter and several concerned individuals supported this measure with amendments. The Judiciary and Department of the Prosecuting Attorney of the City and County of Honolulu opposed this bill. The Department of the Attorney General and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Requiring that a journalist or newscaster not employed by a media organization be at least professionally associated with such an organization;
- (2) Clarifying that the limited privilege granted to journalists and newscasters by this measure may also be claimed by other persons who can credibly establish that they were involved in the collection of news or information of substantial public interest for dissemination to the general public;
- (3) Expanding the exceptions to the limited privilege established by this measure to include situations in which a source has consented to disclosure, and in which a person seeking disclosure in civil litigation can show clear and convincing evidence that the source or information sought is unavailable despite exhaustion of all reasonable alternative sources, noncumulative, and necessary and relevant to a claim or defense asserted; and
- (4) Clarifying that the prohibition against fines and imprisonment, applies to all persons who qualify for the privilege.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2557, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 725-08 Judiciary on H.B. No. 2729

The purpose of this bill is increase the penalty for burglaries by creating a new category of burglary in the first degree for crimes that take place in a dwelling and involve a dangerous instrument.

The Hawaii Rifle Association testified in support of this bill. The Office of the Public Defender, the City and County of Honolulu Department of the Prosecuting Attorney, the Community Alliance on Prisons, and an individual opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting references to firearms from the definition of a "dangerous instrument";
- (2) Including as a criterion in the new offense of burglary in the second degree, the reckless disregard of a risk that the building is a dwelling; 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. 2729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2729, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, McKelvey and Morita. (Representative Souki voted no).

SCRep. 726-08 Judiciary on H.B. No. 3002

The purpose of this bill is to deter prostitution by making a third and subsequent conviction a class C felony when the offense is committed by a person who pays, or offers or agrees to pay, a fee for sex with another person. Currently, any subsequent conviction for any person engaging in sexual conduct with another person for a fee is a \$500 fine and a 30-day imprisonment or probation.

The Downtown Neighborhood Board No. 13, the Board of the Honolulu Tower Association of Apartment Owners, and numerous Kukui Plaza residents and employees testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Adding a defective date of 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. 3002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3002, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 727-08 Judiciary on H.B. No. 3040

The purpose of this bill is to revise the sex offender registry statutes to conform with recent changes to the federal model and to make other statutory changes to the criminal code.

The Department of the Attorney General, Department of the Prosecuting Attorney for the County of Maui, Department of the Prosecuting Attorney for the City and County of Honolulu, Honolulu Police Department, Maui County Police Department, Hawaii County Police Department, Hawaii Family Forum, Hawaii Catholic Conference, and a concerned individual supported this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Providing that the offense of electronic enticement of a child in the third degree only requires an agreement to meet with the minor;
- (2) Deleting the reckless state of mind, but leaving the knowing state of mind, as to the intended minor viewing the transmission for the offense of indecent electronic display to a child;
- (3) Requiring a mandatory minimum of one year incarceration for the offense of electronic enticement of a child in the first degree;
- (4) Deleting provisions regarding the offense of electronic enticement of a child in the second degree;
- (5) Deleting reference to the offenses of promoting child abuse in the second degree and third degree;
- (6) Reinserting the requirement of traveling to an agreed meeting place and at an agreed time for the offense of electronic enticement of a child in the second degree;
- (7) Deleting from the provisions for access to sex offender registration information:
 - (A) Information about travel routes or general area or work place;
 - (B) Location where the offender's vehicle is parked;
 - (C) Electronic link to the public criminal conviction of the covered offender;
- (8) Providing that the failure to provide information required by section 846E-2(d)(1) through section 846E-2(d)(12) gives rise to the offense of failure to comply with covered offender registration requirements;
- (9) Extending the effective date to January 1, 2112, to encourage further discussion; and
- (10) 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. 3040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3040, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 728-08 Judiciary on H.B. No. 3041

The purpose of this bill is to improve the administration of criminal justice in Hawaii and to ensure that criminal offenders are held accountable for their conduct.

Specifically, this bill:

- (1) Adds a new offense of obstruction of criminal investigation and increases the penalties for various existing offenses related to public administration offenses;
- (2) Authorizes law enforcement officers to gain access to public health statistics records in criminal investigations;
- (3) Amends the definition of murder in the second degree to include causing the death of another person while acting with intent to cause serious bodily injury or in a way that creates a strong probability of causing serious bodily injury or death;

- (4) Clarifies the procedure by which a court advises a defendant of the immigration consequences of a plea of guilty or no contest upon entry of the plea;
- (5) Adds various offenses to those which may be initiated by information charging; and
- (6) Clarifies the procedure by which genetic material and fingerprints are collected and increases the offense of knowing failure to provide genetic material and fingerprints from a misdemeanor to a class C felony.

The Attorney General (AG), City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Department of the Prosecuting Attorney, Honolulu Police Department, Maui County Police Department, Hawaii County Police Department, and a concerned individual supported this bill. The Office of the Public Defender opposed this measure.

The AG supported the amendments to the definition of murder in the second degree because certain offenders charged with murder or attempted murder were convicted of lesser offenses. Specifically, an offender charged with murder for beating a person to death was convicted of the lesser offense of manslaughter because the jury believed his testimony that he had only intended to cause bodily injury to the person, not death. In another case, an offender charged with attempted murder after dousing his neighbor with gasoline and setting him afire was convicted of the lesser offense of assault in the first degree because the jury believed his testimony that it was not his intent to kill the person and, in fact, the person survived.

Your Committee finds that the Hawaii Penal Code assigns culpability based on the state of mind with which the offender acts when committing the specified offense. In homicide cases, an offender who intentionally or knowingly causes the death of another person is guilty of murder, unless by reason of extreme mental or emotional disturbance in which case the offense is reduced to manslaughter. If an offender recklessly causes the death of another person, the offender is also guilty of manslaughter. In the first case referenced by the AG, the offender was convicted of manslaughter because the jury found that the offender, while intending only to cause bodily injury, had recklessly caused the other person's death. In the second case, the offender was convicted of assault in the first degree because the jury found that the offender intended to cause serious bodily injury, not death, and the person survived.

Your Committee notes that the offender in the second case could not be convicted of attempted manslaughter because the Hawaii Supreme Court held in *State v. Holbron*, 80 Hawaii 27 (1995), that a person cannot attempt to recklessly cause the death of another person. As a result, the offense dropped all the way from attempted murder, with a mandatory sentence of life in prison, down to the class B felony offense of assault in the first degree, with a maximum of ten years in prison and the possibility of probation. Under current law, there is no intermediate class A felony offense for which the offender may be sentenced to a 20 year prison term when not convicted of attempted murder.

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

- (1) Deleting the amendments to the definition of murder in the second degree and instead making it a defense to attempted murder, which reduces the offense to attempted manslaughter, a class A felony for which the offender may be sentenced to 20 years in prison, that the defendant, with intent to do serious bodily injury to another person, engaged in a course of conduct in reckless disregard of a substantial risk of killing the other person;
- (2) Deleting the provisions establishing the new offense of obstruction of criminal investigations and increasing penalties for various existing offenses related to public administration offenses because the AG could not give specific examples illustrating the perceived shortcomings of existing law;
- (3) Limiting law enforcement officers access to health records only to birth certificates in cases of sexual assault and death certificates in cases of homicide;
- (4) Requiring that the clarified procedure by which a court advises a defendant of the immigration consequences of a plea of guilty or no contest be employed before the plea is entered;
- (5) Deleting the section that would amend a portion of the information charging law because that provision remains in effect only until June 30, 2008, and this measure likely will not become law before then;
- (6) Adding language that exempts persons convicted of a first offense of excessive speeding from having to post proof of financial responsibility to help reduce the enormous backlog of these cases in the district courts where first offenders are contesting their cases primarily because of the insurance implications;
- (7) Raising the threshold for felony theft to \$1,000 because the threshold has not changed since it was set at \$300 in 1986, despite the rate of inflation;
- (8) Excluding from the definition of robbery in the second degree shoplifting cases in which the defendant struggles with store personnel while attempting to flee the premises;
- (9) Adding a savings clause to ensure that this measure does not violate the ex post facto clause of the United States Constitution;
- (10) Changing the effective date to July 1, 2112, except for section 7 which is effective July 1, 2111, to facilitate further discussion of the issues raised by this measure; and
- (11) 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. 3041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3041, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 729-08 Judiciary on H.B. No. 3355

The purpose of this bill is to allow county liquor investigators to possess electric guns.

The Hawaii Rifle Association testified in support of this bill. The County of Maui Department of Liquor Control supported this bill with amendments. The Honolulu Police Department and the American Civil Liberties Union of Hawaii opposed this measure, noting safety concerns and the need for training.

Proponents of this bill have assured your Committee that safety training will equal that provided to police officers.

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. 3355, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3355, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives McKelvey, Morita, and B. Oshiro. (Representative Green voted no.)

SCRep. 730-08 Consumer Protection & Commerce on H.B. No. 2165

The purpose of this bill is to alleviate the shortage of nurses by allowing a bachelor's degree graduate who has completed the pre-licensure portion of a master's entry program in nursing (MEPN) at an accredited nursing school to apply for the licensing examination for registered nurses.

The Board of Nursing, University of Hawaii, Hawaii State Center for Nursing, and several concerned individuals testified in support of this bill.

MEPNs offer accelerated programs with entry at the Master's level for college-prepared individuals with no prior nursing experience or education but who have at least a bachelor's degree and are pursuing a career as a registered nurse. By facilitating these programs, this bill supplements traditional baccalaureate nursing programs by providing an additional pathway to careers in nursing.

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. 2165 and recommends that it pass Third Reading.

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

SCRep. 731-08 Consumer Protection & Commerce on H.B. No. 2169

The purpose of this bill is to make the name of the Board of Medical Examiners (Board) consistent with names used by most other state boards of medicine by changing the Board's name to the Hawaii Medical Board.

The Board testified in support of this bill.

In addition to bringing the Board's name in line with those of other state boards of medicine, this measure will also help eliminate the confusion resulting from the similar names of the Board and the county medical examiner who performs death investigations.

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. 2169, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 732-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2428

The purpose of this bill is to speed up project delivery and save time and money on state highway projects by exempting the acquisition, construction, and other administration of state highways by the Department of Transportation (DOT) from county subdivision requirements.

DOT and the Chamber of Commerce of Hawaii testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting 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. 2428 and recommends that it pass Third Reading.

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

SCRep. 733-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2524

The purpose of this bill is to improve statewide transportation planning by requiring the Statewide Transportation Plan (Plan) prepared by the Department of Transportation (DOT) to comply with county transportation-related plans, county general plans, or all community, development, or community development plans adopted pursuant to the county general plan, to the extent that it does not affect the availability of federal funds.

DOT, the Department of Transportation Services of the City and County of Honolulu, Department of Planning and Permitting of the City and County of Honolulu, Building Industry Association – Hawaii, Hawaii Building & Construction Trades Council, AFL-CIO, The Chamber of Commerce of Hawaii, a member of the Maui County Council, and a concerned individual testified in support of this bill. The Hawaii Association of Realtors supported the intent of this measure.

Your Committee notes that DOT already consults with county transportation officials in regards to the Plan, but believes that strengthening this relationship would further ensure more coordinated transportation improvements.

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. 2524 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 734-08 Judiciary on H.B. No. 3325

The purpose of this bill is to exempt offers or dispositions of interests in time share plans from the Uniform Land Sales Practices Act.

The Department of Commerce and Consumer Affairs, American Resort Development Association, Wyndham Worldwide, and Marriott International, Inc., 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. 3325, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 735-08 Judiciary on H.B. No. 3249

The purpose of this bill is to enhance bicycle safety by:

- (1) Prohibiting the parking of motor vehicles on bikeways; and
- (2) Establishing a fine of up to \$500 per violation.

The Department of Transportation and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3249, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 736-08 Judiciary on H.B. No. 2847

The purpose of this bill is to expand the list of conditions under which a person who is subjected to administrative revocation of the person's driver's license may be granted a conditional license permit to include circumstances where the person:

- (1) Has no access to alternative transportation and must drive to attend school or vocational training;
- (2) Must drive for personal medical or dental care or treatment; or
- (3) Needs to drive to assist in the care of another person who is unable to drive due to the other person's age, disability, or medical condition.

This bill also clarifies when a conditional license permit is permissible for certain commercial drivers.

The Judiciary 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. 2847 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine. (Representative Thielen voted no.)

SCRep. 737-08 Tourism & Culture on H.B. No. 3343

The purpose of this bill is to officially commemorate and recognize the contributions of Filipino-Americans to the state and the nation by designating the month of October as Filipino-American History Month.

The Hawaii Civil Rights Commission, Mayor of the City and County of Honolulu, Philippine Nurses Association Hawaii, Filipino-American Historical Society of Hawaii, Filipino American Citizens League, National Federation of Filipino American Associations, Oahu Filipino Community Council, United Filipino Council of Hawaii, Filipino Coalition for Solidarity, and Nursing Advocates & Mentors, Inc., 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. 3343, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 738-08 Energy & Environmental Protection on H.B. No. 2517

The purpose of this bill is to protect Hawaii's agricultural lands and native ecosystems by, among other things:

- (1) Allowing the Department of Agriculture (DOA) to regulate or prohibit the sale in Hawaii of specific plants designated as restricted plants;
- (2) Allowing the importation of noxious weeds only for research, by permit, and prohibiting the sale of noxious weeds in the state;
- (3) Clarifying that a restricted plant also includes a portion of the plant; and
- (4) Clarifying that plants can be placed on the restricted plant list because the plant itself may be detrimental or potentially harmful to agriculture, horticulture, the environment, or animal or public health.

The Office of Hawaiian Affairs, Department of Land and Natural Resources, The Nature Conservancy of Hawaii, Sierra Club, Hawaii Chapter, Coordinating Group on Alien Pest Species, and Conservation Council for Hawaii supported this bill. DOA and the Hawaii Audubon Society supported this bill with amendments. Several concerned individuals submitted comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2517, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 739-08 Energy & Environmental Protection on H.B. No. 2263

The purpose of this bill is to limit noise emanating from state harbors by allowing the Director of Transportation (Director) to adopt rules regulating harbor noise.

Harbor Neighbors testified in support of this bill.

Noise is often considered to be an environmental pollutant. The high level of activity at many of Hawaii's harbors often produce large amounts of noise. While the Director currently has the authority to promulgate rules for harbors under their jurisdiction, this authority may not be specific enough to allow it to adopt rules that regulate noise. Your Committee finds that granting the Director this specific authority may provide an opportunity to alleviate the concerns of individuals affected by noise from Hawaii's harbors.

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. 2263 and recommends that it pass Third Reading.

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

SCRep. 740-08 Judiciary on H.B. No. 1101

The purpose of this bill is to expand the waiving of driver licensing tests required of an individual holding a valid driver's license to other specified jurisdictions of the United States or Canada when applying for a Hawaii driver's license. This bill authorizes the Examiner of Drivers to waive the knowledge test of highway signs and rules of the road. Currently, only the driving test may be waived.

The Department of Transportation, City and County of Honolulu, County of Kauai, County of Maui, County of Hawaii, and two individuals testified in support of this bill.

Your Committee finds that many states waive all testing for individuals with valid driver's licenses issued by other states and it does not appear that expansion of this reciprocity to other jurisdictions would compromise traffic safety issues.

To encourage further discussion on this matter, your Committee has amended this bill by changing the effective date to January 1, 2050. Technical, nonsubstantive amendments were also made for clarity and style and to ensure that these amendments to section 286-108 are kept when Act 72, Session Laws of Hawaii, is repealed on January 9, 2011, which would have automatically repealed these amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1101, H.D. 2.

Signed by all members of the Committee except Representative McKelvey.

SCRep. 741-08 Judiciary on H.B. No. 2699

The purpose of this bill is to improve the Uniform Probate Code by:

- (1) Eliminating statutory inconsistencies regarding payment of payable-on-death bank accounts by removing provisions that allow distribution to the account beneficiary's descendants, and retaining provisions that allow distribution to the personal representative or heirs of the original account owner;
- (2) Limiting the requirement that revised probate asset inventories or appraisements be served on interested parties, to those parties who request the information;
- (3) Allowing the court, for good cause, to waive the personal interview with the respondent performed by the kokua kanawai in a guardianship or conservatorship proceeding;
- (4) Allowing nominated guardians, nominated conservators, and their lawyers to make better decisions in the best interests of respondents by giving them access to a kokua kanawai's report and court-ordered professional evaluations; and
- (5) Allowing the court, for good cause, to extend the time for serving the ward or protected person a copy of the order granting the request for guardianship or conservatorship, or to waive service.

The Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State of Hawaii supported this bill.

Your Committee has amended this bill to encourage further discussion 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. 2699, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2699, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 742-08 Judiciary on H.B. No. 3023

The purpose of this bill is to:

- (1) Extend the term of a license from six to eight years for persons who are 25 to 71 years of age;
- (2) Reduce the term of a license from six to four years for persons who are 19 to 24 years of age;
- (3) Authorize the examiner of drivers to issue a license for an unspecified, shorter period of time if the examiner determines a person's ability to drive is impaired due to a physical condition;
- (4) Allow the license of a member of the U.S. armed forces that has expired while that person was on active federal service outside of the country to remain valid for 90 days after the person returns to the U.S.; and
- (5) Repeal provisions that would allow a person whose driving ability was determined impaired to:
 - a. Obtain certification from a physician confirming the person's ability to drive is not impaired by the person's physical condition;
 - b. Correct the physical impairment; or
 - c. Drive safely by using a vehicle adapted to overcome the physical impairment.

A concerned individual testified in support of this bill. The Department of Customer Services of the City and County of Honolulu, and Counties of Hawaii, Kauai, and Maui supported this measure but suggested an amendment.

Your Committee has amended this bill by:

- (1) Changing its effective date to November 3, 2008; and
- (2) Making technical and nonsubstantive amendments for clarity, consistency, and style, and to ensure that these amendments to section 286-106 are kept when Act 72, Session Laws of Hawaii 2005, is repealed on January 9, 2011, which would have automatically repealed these amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3023, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3023, H.D. 2.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 743-08 Judiciary on H.B. No. 2618

The purpose of this bill is to clarify laws pertaining to parking citations and the transfer of ownership of a vehicle by:

- (1) Ensuring that, except in the case of U-drive vehicles, traffic infractions and associated fees are the responsibility of the person who owned the vehicle at the time the citation was issued; and
- (2) Clarifying that unpaid parking citations shall not prevent the issuance or renewal of the motor vehicle's certificate of registration and transfer of title to another person.

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. 2618, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2618, H.D. 2.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 744-08 Judiciary on H.B. No. 464

The purpose of this bill 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 reproductive education on both abstinence and contraception.

The Department of Education, Planned Parenthood of Hawaii, American Civil Liberties Union, Hawaii State Democratic Women's Caucus, Oahu County Committee of the Democratic Party of Hawaii, American Association of University Women, and a concerned individual supported this bill. The Hawaii Family Forum, Catholic Charities of Hawaii, Pro-Family Hawaii, Hawaii Right to Life, Catholic Conference, and several concerned individuals opposed this measure.

Your Committee finds that the United States Congress authorized a scientific evaluation of the Title V, Section 510 Abstinence Education Program. A 2007 report of the results of this multi-year study revealed that teenagers who participated in abstinence-only education programs were just as likely to engage in sexual intercourse, including unprotected sexual intercourse, as teenagers who did not participate in abstinence-only education programs. Additionally, teenagers who participated in abstinence-only education programs were more likely to report that condoms are never effective at preventing sexually transmitted diseases than teenagers who did not participate in abstinence-only programs. Your Committee also notes that, for the first time since 1991, birth rates have increased among teenagers aged 15 to 19, according to a December 2007 report of the Centers for Disease Control and Prevention.

Your Committee has amended this bill, with the prior concurrence of the Chair of your Committee on Health, by deleting the exemption for certain federal funding recipients, thereby revising the language of the measure to reflect its original scope.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 464, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 464, H.D. 2.

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

SCRep. 745-08 Judiciary on H.B. No. 1984

The purpose of this bill is to protect the residents of public housing by prohibiting the consumption of liquor on any public sidewalk or common area of a public housing project.

The Hawaii Public Housing Authority, Honolulu Police Department, many residents of the Mayor Wright Homes, and many concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Limiting the prohibition on liquor consumption in the common area of a public housing project to between 10:00 p.m. and 5:00 a.m.; and

- (2) 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. 1984, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1984, H.D. 1.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 746-08 Judiciary on H.B. No. 2346

The purpose of the bill is to expand the offense of endangering the welfare of a minor to include injecting, ingesting, inhaling, or introducing any controlled substance.

The Department of the Attorney General, Department of Public Safety, and City and County of Honolulu Department of the Prosecuting Attorney testified in support of this bill. The Office of the Public Defender, American Civil Liberties Union of Hawaii, and Community Alliance on Prisons opposed this measure. The Drug Policy Forum of Hawaii provided comments.

Your Committee has concerns regarding the expansiveness of including every single controlled substance in an offense where the state of mind requirement is as low as a reckless state of mind.

Your Committee has amended this bill by:

- (1) Specifying that the offense of endangering the welfare of a minor in the first degree pertains to controlled substances in schedules I, II, and III of the Uniform Controlled Substances Act (UCSA);
- (2) Specifying that the offense of endangering the welfare of a minor in the second degree pertains to controlled substances in schedules I and II of the UCSA;
- (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. 2346, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2346, H.D. 2.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 747-08 Judiciary on H.B. No. 2347

The purpose of this bill is to ensure that law enforcement efforts to crack down on metal theft are not hampered by what may seem to be ambiguities in the law by affirming that a scrap dealer can be punished for violations involving either being unlicensed or by failing to keep or falsifying records.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, and the Honolulu Police Department 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2347, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2347, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 748-08 Judiciary on H.B. No. 2450

The purpose of this bill is to protect farming operations from urban encroachment by requiring the reclassification, into the urban or rural district, of any land that is contiguous to the agricultural district, to contain a condition that no nonagricultural development shall be permitted within 300 feet of the property line bordering any parcel in the agricultural district on which farming operations are being conducted.

The Hawaii Agricultural Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, and Hawaii's Thousand Friends supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Planning and Permitting of the City and County of Honolulu, Hawaii Reserves, Inc., and a concerned individual opposed this bill. The Department of Agriculture and a concerned individual submitted comments.

Your Committee notes that a similar measure, House Bill No. 408 HD2, SD1, is currently under consideration by the Senate Committee on Intergovernmental and Military Affairs.

Your Committee further notes that, in certain areas in our state, reclassification of a district adjacent to an agricultural district might reasonably contain an infrastructure development that would not impinge on farming activities. Additionally, your Committee is concerned that a standardized required width of at least 300 feet for a "buffer zone" adjacent to land in agricultural use may not reasonably take into account topographical features of the lands that might, as a practical matter, accomplish the same purpose within a lesser distance. Your Committee also notes that Chapter 165, Hawaii Revised Statutes, also known as the Hawaii Right to Farm Act, already protects owners and operators of farming operations from lawsuits grounded in nuisance relating to such activities.

With prior concurrence from your Committee on Agriculture, your Committee has amended this measure by deleting the distance from the property line within which nonagricultural development may occur. Your Committee has also amended this bill by:

- (1) Changing its 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. 2450, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2450, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 749-08 Judiciary on H.B. No. 2997

The purpose of this bill is to ensure the availability of design professional services in highway construction by providing that design professionals, including engineers, architects, surveyors, and landscape architects, are liable only for the percentage of damages attributable to the design professional in tort claims relating to the maintenance and design of public highways, except when the design professional's degree of negligence is at least 25 percent.

The American Council of Engineering Companies of Hawaii, American Society of Civil Engineers, Coalition of Hawaii Engineering and Architectural Professionals, Consulting Structural Hawaii, Inc., Engineering Concepts, Inc., Engineering Solutions, Inc., KAI Hawaii Inc., and Masa Fujioka & Associates testified in support of this bill. The Consumer Lawyers of Hawaii opposed this measure. Hawaiian Electric Company, Inc., Hawaii Electric Light Company, and Maui Electric Company provided comments.

Your Committee understands that the participation of design professionals is crucial to the implementation of public work projects and that excessive liability may discourage them from taking on such work. Your Committee is concerned, however, that this measure may result in a disproportionate shift in liability for payment of damages to the State. Accordingly, your Committee has amended this bill by changing the effective date to January 1, 2112, to encourage further discussion.

This bill has also been amended 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. 2997, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2997, H.D. 1.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 750-08 Judiciary on H.B. No. 3011

The purpose of this bill is bring fairness to the special motor vehicle registration requirements for individuals whose motor vehicle registration has been revoked because an individual operated the vehicle under the influence of an intoxicant by allowing the Administrative Director of the Courts greater flexibility in authorizing special registrations.

No testimony was received 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3011, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3011, H.D. 1.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 751-08 Judiciary on H.B. No. 2436

The purpose of this bill is to strengthen the regulation and enforcement of fireworks by:

- (1) Clarifying the definition of display fireworks;
- (2) Prohibiting minors from selling fireworks;

- (3) Making it unlawful, without a permit, to throw any ignited fireworks from or at a moving vehicle, or at any person or animal; and
- (4) Allowing consumer fireworks, aerial devices, display fireworks, or articles pyrotechnic within five hundred feet from any hotel with a permit.

The State Fire Council, Honolulu Fire Department, and an individual testified in support of this bill. An individual supported the intent of this measure. Legislative Information Services of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Making it unlawful to throw any ignited fireworks from above the first floor of a building, or into a moving vehicle, or explode any fireworks within one thousand feet of any zoo or animal shelter, on any public beach, or in any officially designated forest or wildlife preserve;
- (2) Clarifying that the prohibition against exploding fireworks within one thousand feet of certain medical facilities applies to convalescent homes, homes for the elderly, and animal hospitals that are licensed;
- (3) Deleting provisions that allow, with a permit, the use of various types of fireworks within five hundred feet of any hotel;
- (4) Requiring a \$25 fee for the purchase and use of any consumer fireworks for cultural and other uses; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Finally, because the amendment requiring a \$25 fee for using consumer fireworks for cultural and other purposes has fiscal implications, your Committee respectfully requests that the financial aspects of this bill be thoroughly reviewed by the appropriate committees as this bill proceeds through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2436, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2436, H.D. 2.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 752-08 Judiciary on H.B. No. 2421

The purpose of this bill is to allow for the increased use of alternative modes of transportation by amending the definition of "bicycle" in the Statewide Traffic Code to include motorized bicycles. The bill allows bikes meeting certain specifications to be transported on public buses.

The Department of Transportation and a member of the Maui County Council testified in support of this bill. A concerned individual offered comments.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2421, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2421, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 753-08 Judiciary on H.B. No. 2553

The purpose of this bill is to ensure the timely reporting of pawnbroker and secondhand dealer transactions to law enforcement by requiring daily electronic reporting of these activities.

The State of Hawaii Organization of Police Officers supported this bill. The Honolulu Police Department supported this bill with amendments. The Hawaii Pawnbrokers Association, Maui Loan, Inc., Ewa Beach Buy and Sell, Paradise Loan and Jewelry, Gold Hawaii Pawn, and numerous concerned individuals opposed this measure. Entertainment Merchants Association and a concerned individual submitted comments.

Your Committee has amended this bill by inserting an appropriation section to pay for the costs incurred by the provisions of this bill and specifying that if this bill is enacted into law with the appropriation section, the \$1.50 per-transaction administrative fee (Administrative Fee) assessed on dealers shall not be enforceable. Your Committee realizes that the internal deadline for House measures containing appropriations has already passed. However, in the event that this measure advances forward in the legislative process and, eventually, is referred to a Committee on Conference, your Committee respectfully requests that your Committee on Finance be added to the Committee on Conference to participate in the discussions regarding the appropriation.

In addition, your Committee has further amended this measure by:

- (1) Making the Administrative Fee discretionary, rather than mandatory;

- (2) Specifying that timely and lawful notice must be given to all pawnbrokers prior to the date of implementation of the electronic transaction reporting system;
- (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. 2553, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2553, H.D. 2.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 754-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2960

The purpose of this bill is to improve liquor laws, including labeling requirements, by:

- (1) Requiring liquor labeled "Hawaii" or certain other references to Hawaii to be wholly manufactured in the state; and
- (2) Allowing the holder of a liquor manufacturer's license to sell liquor manufactured from cane for private use and consumption.

Maui Brewing Co. and Haleakala Distillers testified in support of this bill.

Your Committees have amended this bill by:

- (1) Providing that liquor may be labeled with the references to Hawaii if:
 - (A) At least one of the primary ingredients is produced in the state;
 - (B) The liquor is wholly manufactured in the state, regardless of the source of the ingredients; or
 - (C) All of the primary ingredients are wholly fermented and, for liquor, distilled in the state in compliance with the standards of the Alcohol and Tobacco Tax and Trade Bureau;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the 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. 2960, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2960, H.D. 2.

Signed by all members of the Committee except Representatives Green, Luke, McKelvey, Morita and Sonson.

SCRep. 755-08 Consumer Protection & Commerce on H.B. No. 2224

The purpose of this bill is to expand access to health insurance by requiring insurers that provide health care coverage to the regular employees of a private group or association to offer the same coverage to part-time employees who work at least 15 hours per week, without requiring the group or association to pay any part of the premium for that coverage.

The Department of Commerce and Consumer Affairs, Hawaii Institute for Public Affairs, Hawaii Teamsters Local 996, and Hawaii Medical Service Association testified in support of this bill. The Chamber of Commerce of Hawaii and Kaiser Permanente Hawaii supported the intent of this measure.

There are concerns that only the part-time employees with an immediate need for health care services are likely to pay for the optional coverage provided by this bill, which may increase insurance risk and result in higher premiums for the employer group. Your Committee finds that this issue merits further consideration.

Accordingly, 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 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. 2224, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2224, H.D. 1.

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

SCRep. 756-08 Consumer Protection & Commerce on H.B. No. 2887

The purpose of this bill is to exempt persons deemed by the Department of Health (DOH) to be "kahuna ka kakau," or experts in traditional Hawaiian tattooing, from laws licensing and regulating tattoo artists.

A concerned individual testified in support of this bill. DOH supported this measure with reservations.

This bill acknowledges traditional Hawaiian culture and arts by removing licensing and other regulatory restrictions on traditional Hawaiian tattooing. However, this bill would allow kahuna ka kakau to use procedures, equipment, and dyes that are inconsistent with health standards, and consequently raises safety issues that warrant further consideration.

Accordingly, your Committee has amended this bill by changing its effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2887, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2887, H.D. 2.

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

SCRep. 757-08 Consumer Protection & Commerce on H.B. No. 2372

The purpose of this bill is to streamline purchases of time share interests from the same developer by exempting from the time share law:

- (1) The offer or sale of an additional interest in a time share plan to an existing purchaser in the same time share plan; and
- (2) The offer or sale of an interest in a time share plan located in another state to an individual who owns any time share interest purchased from the same developer,

if the developer or the developer's affiliate has a time share plan registered in Hawaii.

Marriott International, Inc., Group RCI, Wyndham Worldwide testified in support of this bill. The American Resort Development Association-Hawaii supported the intent of this measure. The Department of Commerce and Consumer Affairs (DCCA) submitted comments.

Your Committee has amended this bill by:

- (1) Providing that the exemptions only apply to developers with a time share plan currently registered in Hawaii and not to developers who are merely affiliated with registered developers;
- (2) Adding the following requirements and amendments for the exemption allowing developers to sell interests in out-of-state time share plans to anyone who owns an interest in any of the developer's time share plans:
 - (A) The out-of-state time share plan must be registered in the state where the plan is located, and under registration requirements that are equivalent to Hawaii's requirements with regard to time share disclosure statements and blanket lien protections;
 - (B) The purchase must comply with Hawaii's escrow requirements for time share plans; provided that for escrow accounts maintained outside of Hawaii, the escrow agent must submit to personal jurisdiction in Hawaii;
 - (C) The contract for purchase must disclose that the time share plan is not registered in Hawaii;
 - (D) The developer, within the two-year period preceding the time of the offer, must not have:
 - (i) Had a time share registration suspended, restricted, or revoked; or
 - (ii) Been convicted of any crime based upon an act of fraud or dishonesty;
 and
 - (E) The developer must provide prior notice to DCCA of the time share plan offered for sale along with payment of a \$1,000 fee;
- (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. 2372, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2372, H.D. 2.

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

SCRep. 758-08 Labor & Public Employment on H.B. No. 2255

The purpose of this bill is to update Hawaii's life insurance laws by implementing provisions adopted by the National Association of Insurance Commissioners (NAIC) relating to employee group life insurance policies, group life insurance coverage for spouses and dependents of insured persons, and the replacement of life insurance policies and annuities. Among other things, this bill:

- (1) Eliminates:
 - (A) The requirement that a group life insurance policy funded partially by the insured employees have a participation of at least 75 percent of the eligible employees;
 - (B) The requirement that employee group life insurance policies cover at least ten employees at the time of issue;
 - (C) The provision precluding individual selection by the employees, employer, or trustees of amounts of insurance under an employee group insurance policy; and
 - (D) Restrictions, based on the status of dependents, on the ability of insured employees to have their spouses and dependents covered under a group life insurance policy in amounts equivalent to the amount of coverage for the employee;
- (2) Provides that the premiums for employee group life insurance policies may be paid:
 - (A) Entirely by the employer;
 - (B) Entirely by the insured employees; or
 - (C) By a combination of both employer and employee contributions;

and
- (3) Excludes the exercise of a term conversion privilege among corporate affiliates from the laws governing the replacement of life insurance policies and annuities.

The Department of Commerce and Consumer Affairs, American Council of Life Insurers, National Association of Insurance and Financial Advisors-Hawaii, and State Farm Insurance Companies testified in support of this bill.

This bill conforms Hawaii law with current provisions adopted by the NAIC and removes certain outdated restrictions on the purchase of group life insurance policies, which may provide consumers with more options to obtain life insurance. Conforming insurance laws and promoting uniformity in insurance laws also helps to ease regulatory compliance for insurers trying to conduct business in various states.

However, your Committee notes the concerns raised by the Insurance Commissioner that employees should retain the right to individually select amounts of insurance under an employee group life insurance policy. Accordingly, your Committee has amended this measure by reinstating the provision precluding individual selection of amounts of insurance under an employee group insurance policy but making this preclusion only applicable to employers or trustees, and not employees.

Other technical, nonsubstantive amendments were 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. 2255, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2255, H.D. 2.

Signed by all members of the Committee except Representatives Har, Nakasone, Nishimoto, Takumi, Meyer and Pine.

SCRep. 759-08 Labor & Public Employment on H.B. No. 2367

The purpose of this bill is to provide the Board of Education (BOE) and Department of Education (DOE) with flexibility by making subject to a collective bargaining agreement the:

- (1) Determination of the minimum period of time that teachers, principals, and vice principals shall serve as probationary employees of DOE;
- (2) Crediting of any full-time intern teaching period served in the state toward fulfillment of the probationary period;
- (B) [*sic*] Renewing of any annual contract with any teacher, principal, or vice principal during the probationary period; and
- (C) [*sic*] Discharging or demoting of a teacher, principal, or vice principal during the probationary period.

DOE and the Hawaii State Teachers Association (HSTA) testified in support of this bill. The Hawaii Government Employees Association testified in opposition to this measure.

Currently, a statutorily-established two-year minimum probationary period exists for new teachers, principals, and vice principals of the DOE. However, a decrease in this probationary period was negotiated between HSTA and DOE. While your Committee recognizes that this decrease in the probationary period was collectively bargained and the flexibility provided by this measure will help clarify the issue, there remain questions as to the specific effects this measure may have on all DOE employees. Accordingly, your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, 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. 2367, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2367, H.D. 2.

Signed by all members of the Committee except Representatives Har, Nakasone, Nishimoto, Takumi, Meyer and Pine.

SCRep. 760-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2503

The purpose of this bill is to permit the use of lands in agricultural land use districts for agricultural-energy facilities when the production, storage, and distribution of renewable energy are integrated with an agricultural activity.

The Maui County Farm Bureau, Land Use Research Foundation, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. Pacific West Energy LLC supported the intent of this measure. The Department of Agriculture, Hawaii Agriculture Research Center, Life of the Land, and the University of Hawaii Environmental Center provided comments.

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. 2503, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2503, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Morita and Wakai. (Representative Saiki voted no.)

SCRep. 761-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on H.B. No. 2502

The purpose of this bill is to make the most productive use of marginal agricultural lands by including solar energy facilities as permitted uses within the agricultural district on land meeting the following requirements:

- (1) The soil is classified as overall (master) productivity rating class D or E by the Land Study Bureau's detailed land classification;
- (2) The total acreage used by the facility is the lesser of ten acres or one percent of the parcel;
- (3) The land is located near specified electrical transmission and distribution systems; and
- (4) The land can generate at least a specified amount of solar energy.

The Chamber of Commerce of Hawaii, Castle & Cooke Hawaii, and Sopogy, Inc., testified in support of this bill. The Department of Agriculture and Dowling Company, Inc., supported the intent of this measure. The Maui County Farm Bureau opposed this bill. The Hawaii Farm Bureau Federation provided comments.

Your Committees have amended this bill by removing the acreage, location, and energy generation limits under which a solar energy facility is a permitted use on land in the agricultural district.

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. 2502, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2502, H.D. 2.

Signed by all members of the Committee except Representatives Berg, Carroll, Chang, Herkes, Morita, Saiki, Ching and Meyer.

SCRep. 762-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2467

The purpose of this bill is improve fire protection by directing that the State Fire Code (Code) include road and sign standards, minimum private water supply reserves, fuel breaks, and green belts for any property over which the county does not have jurisdiction.

The Dole Food Company opposed this bill. The Department of Land and Natural Resources and Honolulu Fire Department provided comments.

Your Committee has amended this bill by deleting the substance of this bill and replacing it with a provision requiring the Code to become part of the State Building Code, as required in section 107-26, Hawaii Revised Statutes (HRS). The bill also removes current requirements:

- (1) Relating to the consistency of the Code with building and other county codes; and
- (2) To transmit the Code to county councils.

The bill also requires the State to conduct fire and safety inspections at all state-owned airport facilities at least once a year, as required in section 132-6(b), HRS.

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. 2467, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2467, H.D. 2.

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

SCRep. 763-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.B. No. 2598

The purpose of this bill is to require the Hawaii Housing Finance and Development Corporation (HHFDC) to give priority to developing land in the areas covered under the Ewa development plan, the City and County of Honolulu primary urban center development plan, and land in the urban core of the counties of Kauai, Maui, and Hawaii, based on each county's general plan.

The Office of Hawaiian Affairs supported the intent of this bill. HHFDC and the Kauai County Housing Agency opposed this measure.

Your Committee has amended this bill by including in the priority development areas, lands in the Kakaako Community Development District, as defined in section 206E-32, Hawaii Revised Statutes. Your Committee has also made technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on 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. 2598, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2598, H.D. 2.

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

SCRep. 764-08 Tourism & Culture on H.B. No. 2626

The purpose of this bill is to raise public awareness of the endemic, but endangered, Hawaiian monk seal by designating the Hawaiian monk seal as the official state mammal of Hawaii.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, and several concerned individuals supported 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 H.B. No. 2626, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2626, H.D. 1.

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

SCRep. 765-08 Finance on H.B. No. 2292

The purpose of this bill is to enhance the operational flexibility of the Agribusiness Development Corporation (ADC) and preserve valuable agricultural lands by, among other things:

- (1) Specifying that the Legislature, through a bill enacted into law, may authorize ADC to acquire agricultural lands for the protection of agricultural lands, public land banking, or promotion of farm ownership and diversified agriculture;
- (2) Specifying that the landowner who agrees to the sale of lands shall receive payment:
 - (A) In a lump sum;

- (B) From revenues derived from the issuance of revenue bonds by the ADC; or
- (C) Through an installment purchase agreement;
- (3) Establishing requirements for the use of installment purchase agreements including the purchase of U.S. Treasury zero coupon bonds;
- (4) Authorizing ADC to acquire specific agricultural lands located on Oahu and owned by the Galbraith Estate through a lump sum payment or an installment purchase agreement;
- (5) Authorizing ADC to purchase, accept, and maintain permanent conservation easements, or transfer these easements to qualified land trust in accordance with the federal Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (6) Allowing ADC to contract with certain financial institutions to provide lease management services when leasing ADC-controlled agricultural land.

The Hawaii Farm Bureau Federation, The Trust for Public Land, and Kamehameha Schools supported this bill. The Department of the Army, ADC, Department of Budget and Finance, Bank of Hawaii, and a concerned individual 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. 2292, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2292, H.D. 1.

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

SCRep. 766-08 Finance on H.B. No. 2293

The purpose of this bill is to improve the operational flexibility of the Agribusiness Development Corporation (ADC) and preserve valuable agricultural lands by, among other things, authorizing ADC to:

- (1) Acquire specific agricultural lands located on Oahu and owned by the Galbraith Estate through a combination of general fund appropriations and revenue bonds issued by ADC with the approval of the Governor;
- (2) Purchase, accept, and maintain permanent conservation easements, or transfer these easements to qualified land trust in accordance with the federal Natural Resources Conservation Service Farm and Ranch Lands Protection Program; and
- (3) Contract with certain financial institutions to provide lease management services when leasing ADC-controlled agricultural land.

Kamehameha Schools, Hawaii Farm Bureau Federation, and The Trust for Public Land supported this bill. The Department of the Army, Department of Budget and Finance, ADC, Office of Hawaiian Affairs, Bank of Hawaii, and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that ADC submit a progress report on its actions to obtain the lands no later than twenty days prior to the convening of the Regular Session of 2009;
- (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. 2293, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2293, H.D. 1.

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

SCRep. 767-08 Finance on H.B. No. 2501

The purpose of this bill is to prevent and control the importation and spread of pests by statutorily establishing the Department of Agriculture's (DOA's) Biosecurity Program.

The Hawaii County Council, Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, Conservation Council for Hawaii, Sierra Club, Hawaii Chapter, Hawaii Island Economic Development Board, The Nature Conservancy of

Hawaii, and the Coordinating Group on Alien Pest Species supported this bill. DOA, Department of Transportation, and Department of Land and Natural Resources submitted comments.

Your Committee has amended this measure 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 H.B. No. 2501, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2501, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Nakasone.

SCRep. 768-08 Finance on H.B. No. 2516

The purpose of this bill is to improve the infrastructure and facilities necessary to prevent the importation and spread of invasive species by:

- (1) Authorizing and appropriating \$5,000,000 in general obligation (GO) bond funds and appropriating \$5,000,000 in federal funds for the construction of joint biosecurity inspection facilities at Honolulu International Airport; and
- (2) Authorizing and appropriating \$1,500,000 in GO bond funds for planning and designing a joint biosecurity facility at Honolulu Harbor.

The Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Maui County Farm Bureau, The Nature Conservancy of Hawaii, Coordinating Group on Alien Pest Species, Conservation Council for Hawaii, and the Hawaii Crop Improvement Association supported this bill. The Department of Transportation, Department of Agriculture, and Department of Land and Natural Resources submitted comments.

Your Committee has amended this measure by changing the appropriation amounts contained in this measure to unspecified amounts and changing the measure's effective date to July 1, 2020, to encourage further discussion. 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2516, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2516, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Nakasone.

SCRep. 769-08 Finance on H.B. No. 2593

The purpose of this bill is to strengthen county efforts to alleviate the impact of droughts by appropriating funds for drought mitigation projects and measures in each county.

The Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Maui County Farm Bureau, and several Maui County Council members testified in support of this bill. The Department of Land and Natural Resources and the Department of Agriculture offered comments.

Your Committee has amended this bill by:

- (1) Inserting a defective date of 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 H.B. No. 2593, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2593, H.D. 1.

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

SCRep. 770-08 Finance on H.B. No. 2843

The purpose of this bill is to provide additional funding for pest inspections, quarantine, and eradication by:

- (1) Expanding the items subject to the inspection, quarantine, and eradication service fee (inspection fee) to include any freight, including air freight or other means of transporting freight, brought into the state;
- (2) Making the existing inspection fee for each twenty-foot equivalent unit per container applicable to marine commercial containers; and

- (3) Establishing that freight transported into the state that is not in a container shall be assessed an inspection fee pursuant to rules.

Additionally, this bill requires the Department of Agriculture (DOA) to assess fines for violations through rulemaking.

The Hawaii County Council, the Hawaii Farm Bureau Federation, The Nature Conservancy of Hawaii, the Conservation Council for Hawaii, and the Coordinating Group on Alien Pest Species supported this bill. The Department of Land and Natural Resources, DOA, Hawaii Agriculture Research Center, Tax Foundation of Hawaii, and Alexander & Baldwin, Inc.(A&B) and Matson Navigation Company, Inc., submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provision establishing that freight transported into the state that is not in a container shall be assessed an inspection fee pursuant to rules;
- (2) Repealing the existing inspection fee for each 20-ft. equivalent unit per container;
- (3) In lieu of items (1) and (2), establishing a new inspection fee assessed on the net weight of the imported freight computed on the basis of 50 cents for every one thousand pounds of freight brought into the state, or part thereof;
- (4) Inserting definitions for "freight" and "net weight";
- (5) Establishing that the inspection fee is to be paid by the person importing the freight;
- (6) Making it the responsibility of the transportation company to collect the inspection fee and forward the payment to DOA at the port of disembarkation;
- (7) Deleting the provisions requiring DOA to assess fines for violations through rulemaking;
- (8) Changing its 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 H.B. No. 2843, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2843, H.D. 2.

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

SCRep. 771-08 Finance on H.B. No. 3034

The purpose of this bill is to ensure Hawaii residents and visitors are provided the freshest and most nutritious milk for drinking by establishing that all fresh milk produced in Hawaii will only be used for liquid consumption rather than for production of non-fluid dairy products, such as cottage cheese, yogurt, and ice cream.

This bill further strengthens Hawaii's diversified agricultural industries by providing that the remaining Hawaii dairy producers are paid a price commensurate with the quality of the milk they produce by reclassifying all fresh Hawaii produced milk as "class I milk."

The Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Hawaii Fresh Milk Industry, and Cloverleaf Dairy supported this bill. Animal Rights Hawaii and a concerned individual opposed this measure. Meadow Gold Dairies submitted comments.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3034, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3034, H.D. 1.

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

SCRep. 772-08 Finance on H.B. No. 3120

The purpose of this bill is to ensure that animal quarantine facilities not required for use by the Department of Agriculture's (DOA's) Animal Quarantine Program be used in an appropriate manner. Specifically, this bill requires that, for contracts with third parties for the use or rental of animal quarantine property or facilities, the property or facilities shall be:

- (1) Leased or rented at a minimum of 50 percent of fair market value, instead of fair market value; and
- (2) Used only for animal welfare, including emergency shelters for animals, or agricultural purposes.

DOA and the Hawaiian Humane Society submitted comments. Animal Care Foundation opposed this measure.

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. 3120, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3120, H.D. 2.

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

SCRep. 773-08 Finance on H.B. No. 3310

The purpose of this bill is to strengthen and improve the agriculture industry, expand employment opportunities for residents, and stimulate the economy by appropriating an unspecified amount as a grant to the Hawaii Farm Bureau Federation to conduct agricultural research and development.

The Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Alexander and Baldwin, Inc., Hawaiian Commercial and Sugar Company, Kauai Coffee Company, Inc., and a concerned individual supported this bill. The Department of Agriculture and Hawaii Agriculture Research Center 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 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. 3310, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3310, H.D. 1.

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

SCRep. 774-08 Finance on H.B. No. 3425

The purpose of this bill is to protect Hawaii's taro supply by appropriating funds for statewide taro research that focuses specifically on the apple snail problem.

The Hawaii Farm Bureau Federation, Kauai Taro Growers Association, 'E kūpaku ka 'āina, Wai'oli Farm, and several concerned individuals testified in support of this bill. The Department of Agriculture, Department of Land and Natural Resources, Office of Hawaiian Affairs, and The Nature Conservancy 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. 3425, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3425, H.D. 2.

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

SCRep. 775-08 Finance on H.B. No. 2163

The purpose of this bill is to provide for more efficient financial operations at the University of Hawaii (UH) by limiting UH's duty to preaudit all proposed payments to those that amount to \$10,000 or more.

UH testified in support of this bill.

Your Committee has amended this bill by changing its effective date from July 1, 2050, to upon its 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. 2163, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2163, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 776-08 Finance on H.B. No. 2164

The purpose of this bill is to support the Cancer Research Center of Hawaii (Center) and expand the sources of revenue available for the Hawaii Cancer Research Special Fund (Special Fund) by:

- (1) Allowing the Special Fund to be used for capital expenditures; and
- (2) Requiring all other fees, charges, and other moneys received in conjunction with the programs of the Center and transfers from other accounts or funds, to be deposited into the Special Fund.

The University of Hawaii supported this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the Special Fund may be used for capital improvements instead of capital expenditures; 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. 2164, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2164, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 777-08 Finance on H.B. No. 2166

The purpose of this bill is to reduce energy use on the University of Hawaii (UH) at Manoa campus and encourage the development of models for energy savings that can benefit the entire UH system and the broader community. Specifically, this bill appropriates funds for energy conservation and renewable energy measures that are part of the sustainable Saunders Hall project at UH at Manoa.

The Help Us Bridge (HUB) Student Sustainability Team, Hawaii Energy Policy Forum, and a concerned individual testified in support of this bill. UH commented on this measure.

Your Committee has amended this bill by changing:

- (1) The appropriation for energy conservation and renewable energy measures that are part of the sustainable Saunders Hall project at UH at Manoa from \$1,024,000, to an unspecified amount; and
- (2) The effective date to July 1, 2020, to encourage further discussion.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2166, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2166, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 778-08 Finance on H.B. No. 2431

The purpose of this bill is to exempt the University of Hawaii (UH) Board of Regents (BOR) from the requirements of the Hawaii Public Procurement Code (Code), while encouraging the BOR to use the provisions of the Code.

UH and an individual testified in support of this bill. The State Procurement Office, Coalition of Hawaii Engineering and Architectural Professionals, Subcontractors Association of Hawaii, American Council of Engineering Companies of Hawaii, and several individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Requiring that an audit of UH's procurement policies and procedures be submitted to the 2013 Legislature; and
- (2) Replacing the effective date from July 1, 2020, to upon approval, and repealing the provisions of this bill on June 30, 2014.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2431, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2431, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 779-08 Finance on H.B. No. 2521

The purpose of this bill is to provide financial support to improve the infrastructure and facilities at the University of Hawaii (UH) by:

- (1) Establishing the UH Repair and Maintenance Special Account (Special Account) as a dedicated funding source for the repair and maintenance of UH facilities and earmarking one percent of general fund revenues, until June 30, 2014, for deposit into the Special Account;
- (2) Declaring the Legislature's intent to authorize and appropriate at least \$50,000,000 in general obligation bond funds for repair and maintenance of UH facilities for each fiscal year from July 1, 2008, through June 30, 2014, and requiring general excise tax revenues to be used if the Legislature fails or refuses to fulfill this intent;
- (3) Appropriating \$50,000,000 out of the Special Account for fiscal year 2008-2009 for the repair and maintenance of UH facilities; and
- (4) Authorizing and appropriating \$50,000,000 in general obligation bond funds for fiscal year 2008-2009 for the repair and maintenance of UH facilities.

UH supported this bill. The Department of Taxation opposed this bill. The Tax Foundation of Hawaii and several concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Requiring the Director of Finance to deposit general fund revenues to the Special Account on at least a quarterly basis, instead of a semi-annual basis; and
- (2) Changing its effective date to June 29, 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. 2521, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2521, H.D. 2.

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

SCRep. 780-08 Finance on H.B. No. 3226

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by:

- (1) Requiring that the 12 members or more of the UH Board of Regents (Board), with the exception of the student member, who represent specified geographical areas also reside in those areas;
- (2) Clarifying the purpose of the Candidate Advisory Council by renaming it the Regents Candidate Advisory Council (RCAC);
- (3) Requiring the Governor to inform RCAC, in writing, of the resignation, death, or removal of a Board member within 10 days of the removal or of receiving notification of the resignation or death;
- (4) Requiring RCAC to submit names of Board candidates to the Governor within 60 days--instead of 30 days--of a vacancy that arises by resignation, death, or removal by the Governor;
- (5) Making confidential the information concerning potential Board candidates that is not of public record, except for information concerning a candidate who is appointed by the Governor, which must be disclosed as provided by law; and
- (6) Appropriating \$152,000 to establish a permanent administrative position for RCAC.

RCAC testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation to establish a permanent administrative position for RCAC from \$152,000 to an unspecified sum 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. 3226, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3226, H.D. 3.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 781-08 Finance on H.B. No. 2978

The purpose of this bill is to improve the state's higher education system, which is vital to stimulating the economic growth and success of Hawaii by:

- (1) Establishing the Funding Formula Task Force (Task Force) to develop an equitable, consistent, and responsive funding formula for the distribution of fiscal resources throughout the University of Hawaii (UH) system, with the assistance of an independent consultant;
- (2) Appropriating funds for the operation of the Task Force; and
- (3) Appropriating funds as a one-time allocation to address the base operational needs of UH campuses that have demonstrated a significant increase in enrollment.

UH, UH-Hilo, and the Office of Information Practices offered comments on this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation of funds for the operation of the Task Force from \$250,000 to an unspecified amount;
- (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. 2978, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2978, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 782-08 Finance on H.B. No. 2696

The purpose of this bill is to clarify the process for filling vacancies on the Executive Board of the Judiciary History Center by allowing the Chief Justice to fill a vacancy in any one of the three positions originally appointed by the Chief Justice, with appointees selected from a list of candidates provided by the Friends of the Judiciary History Center (FJHC).

The Judiciary and FJHC supported 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. 2696, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2696, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 783-08 Finance on H.B. No. 3422

The purpose of this bill is to improve civil legal services to indigent persons by:

- (1) Increasing the revenues that help fund such programs by increasing the surcharges on initial court filing fees in civil actions from:
 - (A) \$25 to \$50 in the circuit courts; and
 - (B) \$10 to \$25 in the district courts;
 and
- (2) Raising income limits to increase access to indigent legal services.

The Legal Aid Society of Hawaii, Domestic Violence Action Center, Native Hawaiian Legal Corporation, Hawaii Disability Rights Center, Hawaii Justice Foundation, and Volunteer Legal Services Hawaii testified in support of this bill. The Collection Law Section of the Hawaii State Bar Association, Kauai Credit Adjusters, Ltd., MEDCAH, Inc., Maui Collection Service, Inc., and several concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Changing to unspecified amounts the surcharges on initial court filing fees in civil actions;
- (2) Changing the amount of income that a person can make to qualify for civil legal services for indigent persons, to an unspecified percentage of the official poverty line;

- (3) Changing its 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 H.B. No. 3422, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3422, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 784-08 Finance on H.B. No. 3398

The purpose of this bill is to expand language programs in the University of Hawaii (UH) System by appropriating funds to provide Philippine language and Filipino-American studies courses systemwide.

The Oahu Filipino Community Council, Filipino American Citizens League, Nursing Advocates & Mentors, Inc., Congress of Visayan Organizations, Hawaii Interpreter Action Network, National Federation of Filipino American Associations Region XII, United Filipino Council of Hawaii, Philippine Nurses Association-Hawaii, Filipino Coalition for Solidarity, UNITE HERE! Local 5, and several concerned individuals testified in support of this bill. The UH System 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. 3398, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3398, H.D. 3.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 785-08 Finance on H.B. No. 2271

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed an unspecified dollar amount to assist Castle Medical Center in financing and refinancing equipment purchases, and the construction and improvement of health care facilities in the State of Hawaii.

The Healthcare Association of Hawaii, Castle Medical Center, Governing Board of Castle Medical Center, and several concerned individuals testified in support of this bill. The Department of Budget and Finance commented 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. 2271, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2271, H.D. 1.

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

SCRep. 786-08 Finance on H.B. No. 2758

The purpose of this bill is to ensure the continued strength of Hawaii's health care safety net by requiring the Department of Taxation (DOTAX) to defer General Excise Tax collections for any private hospital located in a county with a population greater than 500,000 that has an annual patient population consisting of 60 percent or more of uninsured, Medicaid, and Medicare patients.

The Representative of the 42nd District and Hawaii Medical Center testified in support of this bill. DOTAX and Tax Foundation of Hawaii commented 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. 2758, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2758, H.D. 2.

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

SCRep. 787-08 Finance on H.B. No. 2238

The purpose of this bill is to ensure the availability of affordable housing in the state by requiring public housing projects under the Hawaii Public Housing Authority (HPHA) and any public housing project constructed or managed with state or county funds, to remain affordable in perpetuity.

HPHA provided comments on this bill. The Governor's Policy Office 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. 2238, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2238, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 788-08 Finance on H.B. No. 2512

The purpose of this bill is to support the development of affordable housing by appropriating funds for the Hawaii Housing Finance and Development Corporation (HHFDC) to assist developers in contracting for third party review and certification to expedite the permitting and review process for affordable housing projects.

The City and County of Honolulu Department of Planning and Permitting, General Contractors Association of Hawaii, Pacific Housing Assistance Corporation, EAH Housing, Hawaii Habitat for Humanity, and Land Use Research Foundation of Hawaii supported this bill. HHFDC provided comments.

Your Committee has amended this bill by:

- (1) Removing the appropriation amount; 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. 2512, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2512, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 789-08 Finance on H.B. No. 2513

The purpose of this bill is to assist in the development of affordable housing in the state by authorizing the issuance of \$30,000,000 in general obligation bonds to be paid into the Dwelling Unit Revolving Fund for housing development programs.

The Hawaii Housing Finance and Development Corporation, City and County of Honolulu Department of Community Services, Kauai County Housing Agency, Office of Hawaiian Affairs, Pacific Housing Assistance Corporation, Hawaii Habitat for Humanity Association, Hawaii Island Community Development Corporation, and Land Use Research Foundation testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the appropriation amount; 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. 2513, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2513, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 790-08 Finance on H.B. No. 2514

The purpose of this bill is to extend for five years, the sunset date for the allocation of 50 percent of the conveyance tax to the Rental Housing Trust Fund, from June 30, 2008, to June 30, 2013.

The Hawaii Housing Finance and Development Corporation, Department of Taxation, Office of Hawaiian Affairs, City and County of Honolulu Department of Community Services, Kauai County Housing Agency, Hawaii Association of REALTORS, Hawaii Family Forum, Roman Catholic Church in Hawaii, EAH Housing, Public Housing Assistance Corporation, Hawaii Habitat for Humanity, and the Hawaii Island Community Development Corporation testified in support of this bill. The Tax Foundation of Hawaii and Land Use Research Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the extension year to an unspecified year;
- (2) Changing the effective date to June 29, 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. 2514, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2514, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 791-08 Finance on H.B. No. 2515

The purpose of this bill is to preserve affordable housing in Honolulu by authorizing the issuance of \$26,000,000 in general obligation bonds to complete the acquisition of a portion of the Kukui Gardens housing project.

The Hawaii Housing Finance and Development Corporation, Office of Hawaiian Affairs, Faith in Action for Community Equity, Hawaii Family forum, Roman Catholic Church in the State of Hawaii, Hawaii Habitat for Humanity Association, and EAH Housing testified in support of this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2515, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2515, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 792-08 Finance on H.B. No. 2558

The purpose of this bill is to reduce the likelihood of future child abuse or neglect in a household where there is a history of such occurrences by authorizing the Department of Human Services (DHS) to conduct unannounced visits to inspect a parental home in which a household member was convicted or adjudicated for certain offenses of child abuse or neglect.

A concerned individual supported this bill. DHS opposed this measure.

Your Committee has amended this bill by replacing the appropriation of \$1,000,000 with an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2558, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2558, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 793-08 Finance on H.B. No. 2698

The purpose of this bill is to clarify the rates paid to court-appointed counsel and guardians ad litem by establishing the following rates:

- (1) \$90 an hour for in-court services provided by an attorney licensed to practice law in the state; and
- (2) \$60 an hour for:
 - (A) Out-of-court services provided by an attorney licensed to practice law in the state; and

- (B) All services provided by a person who is not an attorney licensed to practice law in the state, whether performed in-court or out-of-court.

The Judiciary supported this bill.

Your Committee has amended this bill by authorizing the Judiciary to contract for the professional services under 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. 2698, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2698, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 794-08 Finance on H.B. No. 2527

The purpose of this bill is to promote smart growth principles and sustainability by requiring:

- (1) The Department of Land and Natural Resources (DLNR) to establish a system of greenways and trails; and
- (2) The Office of Planning (OP) of the Department of Business, Economic Development, and Tourism to coordinate smart growth planning.

DLNR opposed this bill. OP, the Hawaii Association of REALTORS, Windward Ahupua'a Alliance, and a concerned individual commented 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. 2527, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2527, H.D. 1.

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

SCRep. 795-08 Finance on H.B. No. 2828

The purpose of this bill is to address the problem of alien algae that threaten the fragile reef ecosystem by appropriating funds for:

- (1) The full-time operation of the Super Sucker in Kaneohe Bay on Oahu; and
- (2) The acquisition of a portable Junior Super Sucker for use in remote locations such as Maunaloa Bay on Oahu, Hilo Bay on Hawaii, and North Kihei on Maui.

The Office of Hawaiian Affairs, The Nature Conservancy of Hawaii, Coordinating Group on Alien Pest Species, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources offered comments.

Your Committee has amended this bill by:

- (1) Changing to an unspecified amount the appropriation of funds for the full-time operation of the Super Sucker;
- (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. 2828, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2828, H.D. 1.

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

SCRep. 796-08 Finance on H.B. No. 2917

The purpose of this bill is to require the Department of Transportation (DOT) to allow:

- (1) Vessels with a use permit for Kewalo Basin to moor at Honolulu Harbor:
 - (A) During inclement weather or ocean conditions that cause Kewalo Basin to be shut down;

- (B) To unload the owner's or operator's catch of fish to a business operating within Honolulu Harbor; and
 - (C) To conduct other business within Honolulu Harbor;
- and

(2) Vessels with a use permit for Honolulu Harbor to access Kewalo Basin under certain conditions.

The Ocean Tourism Coalition and two concerned individuals testified in support of this bill. DOT commented on this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2917, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2917, H.D. 2.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 797-08 Finance on H.B. No. 2955

The purpose of this bill is to expand the use and knowledge of Hawaii's archaeological information by establishing an archaeological data survey as an online database program of the State of Hawaii Museum of Natural and Cultural History.

The Office of Hawaiian Affairs and Bishop Museum testified in support of this bill. The Department of Land and Natural Resources 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. 2955, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2955, H.D. 1.

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

SCRep. 798-08 Finance on H.B. No. 3391

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR) to provide a comprehensive report on the status of the state's marine ecosystems and to appropriate funds to perform the study.

The Nature Conservancy of Hawaii, Hawaii Nearshore Fishermen, and a concerned individual testified in support of this bill. The Conservation Council for Hawaii and KAHEA: The Hawaiian-Environmental Alliance opposed this measure. DLNR 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. 3391, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3391, H.D. 2.

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

SCRep. 799-08 Finance on H.B. No. 2228

The purpose of this bill is to support community-based businesses and organizations by appropriating funds to the Hawaii Community-based Economic Development Revolving Fund for low-interest loans and grants to qualifying community-based organizations involved in economic development activities under the Hawaii Community-based Economic Development Technical and Financial Assistance Program.

The Office of Hawaiian Affairs, Hawaii Alliance for Community-Based Economic Development, Waianae Coast Coalition, Kona Pacific Farmers Cooperative, Hawaiian Homestead Technology, Inc., and Empower Oahu testified in support of this bill. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee has amended this bill by:

- (1) Changing the appropriations 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. 2228, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2228, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 800-08 Finance on H.B. No. 2259

The purpose of this bill is to support efforts to broaden Hawaii's economy by exploring the potential of establishing a space tourism industry. This bill appropriates funds for a feasibility study for a spaceport and consultation and other expenses of applying to the Federal Aviation Administration for a commercial space transportation license.

The Hawaii Island Economic Development Board, Enterprise Honolulu, Zero Gravity Corporation, and Rocketplane Global, Inc., testified in support of this bill. The Department of Transportation and Department of Business, Economic Development, and Tourism offered comments.

Your Committee has amended this bill by:

- (1) Inserting a defective date of July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2259, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2259, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 801-08 Finance on H.B. No. 2473

The purpose of this bill is to allow the Hawaii Broadband Task Force to continue its work by appropriating funds for fiscal year 2008-2009.

The Department of Commerce and Consumer Affairs 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. 2473, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2473, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 802-08 Finance on H.B. No. 2781

The purpose of this bill is to assist small businesses through the regulatory process by requiring an agency to:

- (1) Include, in its Small Business Impact Statement, information comparing the costs and benefits of a proposed rule, to those of the comparable or related federal, state, or county law;
- (2) Justify the proposed higher standard; and
- (3) Periodically identify and justify existing rules that impose those higher standards.

The Hawaii Business League, and National Federation of Independent Businesses in Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs, Department of Business, Economic Development, and Tourism, University of Hawaii System, and Small Business Regulatory Review Board commented on this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2781, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2781, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 803-08 Finance on H.B. No. 2939

The purpose of this bill is to support the building of an aerospace industry in Hawaii by continuing to provide funding for the Pacific International Space Center for Exploration Systems (PISCES).

Japan-United States Science, Technology, and Space Applications, Hawaii Island Economic Development Board, Space Frontier Foundation, SpacePartnerships.com, JAMSS America, Inc., Center for Space Resources, Boeing Company, Enterprise Honolulu, Director of PISCES, and several concerned individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism commented 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. 2939, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2939, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 804-08 Finance on H.B. No. 3085

The purpose of this bill is to resolve inconsistencies, gaps, and ambiguities in the law allowing registration and protection of trademarks, service marks, and trade names in Chapter 482, Hawaii Revised Statutes (HRS). Among other things, this bill:

- (1) Distinguishes between the standard for registration of trade or entity names ("substantially identical") and the standard for determining ownership of trade or entity names under the common law ("confusingly similar");
- (2) Adds a class C felony penalty for intentional false filings to the existing misdemeanor penalty for negligent false filings;
- (3) Reorganizes Chapter 482, HRS, into four parts entitled "Definitions," "Trade Names," "Trademarks" and "Service Marks," and "Miscellaneous Provisions"; and
- (4) Makes technical, nonsubstantive housekeeping amendments.

The Office of Administrative Hearings and Business Registration Division of the Department of Commerce and Consumer Affairs 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. 3085, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3085, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 805-08 Finance on H.B. No. 3348

The purpose of this bill is to protect the rich heritage of Hawaii through supporting historical preservation efforts by providing \$500,000 to fund the Hawaii Preservation Fund endowment with a stipulation that moneys not be released until \$500,000 in private contributions to the Fund is made.

The Representative of the 27th District, Historic Hawaii Foundation, Hawai'i Capital Cultural District Coalition, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation for funding the Hawaii Preservation Fund endowment from \$500,000 to an unspecified 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3348, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3348, H.D. 2.

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

SCRep. 806-08 Economic Development & Business Concerns on H.B. No. 3286

The purpose of this bill is to:

- (1) Include mining of sand, rock, gravel, and other materials used in construction as a permissible use of lands within the agricultural districts; and
- (2) Place mining in the agricultural district within the exclusive jurisdiction of the Land Use Commission.

The Kikiaola Land Company and the Representative for the 16th House District testified in support of this measure. The Department of Planning and Permitting of the City and County of Honolulu and a concerned individual opposed this bill.

Without local mines for sand, rock, gravel, and other materials, construction companies will be forced to import supplies, which will increase production cost and risk the accidental importation of invasive species into Hawaii's fragile ecosystems. However, your Committee has concerns about using agricultural land for mining.

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. 3286, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3286, H.D. 1.

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

SCRep. 807-08 Economic Development & Business Concerns on H.B. No. 2242

The purpose of this bill is to encourage the construction of affordable housing by allowing each county to impose an affordable housing requirement upon certain subdividers or developers as a condition for the approval of a subdivision or building permit.

The Office of Hawaiian Affairs, County of Hawaii Planning Department, and a member of the Hawaii County Council testified in support of this bill. Kauai County Housing Agency supported this bill with amendments. The Department of Planning and Permitting of the City and County of Honolulu, the Hawaii Chamber of Commerce, Wyndham Worldwide, and the Land Use Research Foundation opposed this bill.

Affordable housing is not only a necessity in our communities but also stimulates economic development. However, your Committee fears that affordable housing percentages imposed by the counties may be unreasonable and cause unwanted distortions in the housing market.

Accordingly, your Committee has amended this measure by requiring that affordable housing requirements imposed by the counties must be reviewed and approved by the Land Use Commission. Additionally, to encourage further discussion, the effective date of this measure has been changed 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. 2242, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2242, H.D. 1.

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

SCRep. 808-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2253

The purpose of this bill is to enhance the administration of liquor laws by updating the statutes relating to licensing, adjudications, and operations of the liquor industry.

The Departments of Liquor Control for the counties of Hawaii, Maui, and Kauai, and the City and County of Honolulu Liquor Commission testified in support of this bill.

Your Committees have amended this bill by:

- (1) Providing that transient vessel licenses are valid only for liquor sales on board a vessel that is en route within the jurisdictional limits of the state and within any port of the state;

- (2) Clarifying the procedural requirements for transfers of dispensers' and cabaret licenses;
- (3) Providing that for transfers of licenses held by a partnership, limited partnership, limited liability partnership, or a limited liability company, the county liquor commission may revoke or suspend the license until an unfit or improper partner or member is removed and replaced; and
- (4) 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. 2253, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2253, H.D. 2.

Signed by all members of the Committee except Representatives Green, Luke, McKelvey, Morita and Sonson.

SCRep. 809-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2736

The purpose of this bill is to support small businesses by:

- (1) Establishing the Small Business Bill of Rights; and
- (2) Requiring the Ombudsman to investigate complaints of violations of the Small Business Bill of Rights.

The Small Business Regulatory Review Board, Retail Merchants of Hawaii, Hawaii Business League, and National Federation of Independent Businesses in Hawaii testified in support of this bill. The Department of Commerce and Consumer Affairs, Department of Business, Economic Development, and Tourism, and the Office of the Ombudsman submitted comments.

Questions were raised as to whether some of the "rights" provided by this bill are actually enforceable. Furthermore, the Ombudsman has expressed concerns that this bill may prompt small businesses to request confidential information from the Ombudsman and would also create a preferred class of complainants by requiring the Ombudsman to investigate every complaint of a violation of the Small Business Bill of Rights. Your Committees note that this bill has a defective date and are moving this bill along for further discussion.

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. 2736, H.D. 1, and recommend that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, Luke, McKelvey, Morita and Sonson.

SCRep. 810-08 Judiciary on H.B. No. 2953

The purpose of the bill is to simplify documentation requirements for vehicles using inter-island ferry services by providing certain vehicle identification requirement exemptions when traveling on an inter-island ferry.

Hawaii Superferry, Inc., testified in support of this bill. Young Brothers, Ltd., supported the intent of this measure.

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

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 811-08 Finance on H.B. No. 94

The purpose of this bill is to ensure that a person buying a life insurance policy has an economic interest in the continued life, not the death, of the insured and provide other protections for life settlements consumers by enacting the National Conference of Insurance Legislators' Life Settlements Model Act, which establishes consumer protections in life settlement transactions where the owner of a life insurance policy transfers the death benefit for compensation that is less than the expected death benefit, but more than the surrender value of the policy.

The Department of Commerce and Consumer Affairs, American Council of Life Insurers, and National Association of Insurance and Financial Advisors supported this bill. The Life Settlement Institute 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. 94, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 812-08 Finance on H.B. No. 2085

The purpose of this bill is to improve the effectiveness and decision-making of the Agribusiness Development Corporation (ADC) by requiring that at least four members of the Board of Directors of ADC have knowledge, experience, and expertise in certain fields related to agriculture.

The Maui County Farm Bureau testified in support of this bill. ADC and Paradise Flower Farms, Inc., opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2085, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 813-08 Finance on H.B. No. 2145

The purpose of this bill is to allow claimants of unclaimed property held by the State to assert ownership through a notarized affidavit signed under penalty of perjury if the claimant is unable to present documentation of ownership requested by the State.

The Department of Budget and Finance opposed this bill, and the State Attorney General offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2145, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 814-08 Finance on H.B. No. 2547

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 Maui Preparatory Academy in financing and refinancing the planning and construction of its educational facilities in the State of Hawaii.

Maui Preparatory 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. 2547 and recommends that it pass Third Reading.

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

SCRep. 815-08 Finance on H.B. No. 2614

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$30,000,000 to assist Island Pacific Academy, Inc., in financing the planning and construction of its educational facilities in the State of Hawaii.

Island Pacific 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. 2614 and recommends that it pass Third Reading.

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

SCRep. 816-08 Finance on H.B. No. 2712

The purpose of this bill is to protect personal information against identity theft by appropriating funds for the City and County of Honolulu to develop an encryption system.

The Department of Information Technology of the City and County of Honolulu commented 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. 2712, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 817-08 Finance on H.B. No. 2965

The purpose of this bill is to ensure the security of the agricultural water supply by authorizing the person who controls, operates, or manages an agricultural water system, to negotiate an agreement for the production of emergency power for the system following a disaster declared by the Governor.

The Office of Hawaiian Affairs, Kamehameha Schools, Island Resources Ltd., and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs Division of Consumer Advocacy 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. 2965, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 818-08 Finance on H.B. No. 2977

The purpose of this bill is to address the coqui frog problem near residential areas by directing the Hawaii Invasive Species Council, in its required plan, to give priority to eradicating coqui frogs that are on state or county land within one mile of residential areas.

The Office of Hawaiian Affairs, Hawaii County Council, and Hawaii Audubon Society testified in support of this bill. Animal Rights Hawaii and several concerned individuals opposed this measure. The Department of Agriculture, Department of Land and Natural Resources, and The Nature Conservancy 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. 2977, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 819-08 Finance on H.B. No. 3080

The purpose of this bill is to ensure a public utility's ability to come to the aid of a customer in a sudden and time-sensitive manner to restore the customer to normal, or near normal, operating status when unusual, demanding circumstances occur by authorizing public utilities to transfer, assign, or otherwise dispose of property under exigent circumstances to aid a customer whose operations have been disrupted due to these unforeseen events.

The Consumer Advocate, Public Utilities Commission, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company 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. 3080, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 820-08 Finance on H.B. No. 3309

The purpose of this bill is to further the State's goals of promoting diversified agriculture and increased agricultural self-sufficiency by appropriating an unspecified amount of funds to co-locate the Agribusiness Incubator and Poamoho Station projects and personnel of the University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR) to an area of Oahu farmland in the Ewa area.

CTAHR, the Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, and Dole Food Company Hawaii supported this bill. The Department of Agriculture and Agribusiness 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 H.B. No. 3309, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 821-08 Finance on H.B. No. 2245

The purpose of this bill is to provide the University of Hawaii (UH) with the flexibility to generate additional revenue through alternative means, by authorizing the transfer of all UH funds, with the exception of general funds, into the University of Hawaii Commercial Enterprises Revolving Fund to finance the establishment of new enterprises, thus allowing UH to reduce its reliance on state funding sources.

UH 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. 2245, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 822-08 Finance on H.B. No. 3072

The purpose of this bill is to help Hawaii meet the challenges of a global economy by improving access to, and the quality of, higher education. Specifically, this bill expands the State Post-Secondary Education Commission and makes other improvements that include:

- (1) Renaming it the Hawaii Higher Education Commission (Commission);
- (2) Placing the Commission with the Department of Business, Economic Development, and Tourism for administrative purposes;

- (3) Removing the members of the Board of Regents of the University of Hawaii (UH) and broadening the Commission's membership to include representatives of public and private institutions of higher education, government, and business;
- (4) Providing for the initial appointment and election of the Commission's chair;
- (5) Allowing for the Commission to receive funds from other sources to carry out its mandated functions;
- (6) Requiring the Commission to propose and manage a program to provide incentives for individuals wishing to obtain higher education;
- (7) Authorizing the Commission to review and recommend policies that increase the rate of students pursuing post-secondary education; and
- (8) Specifying that the Department of Labor and Industrial Relations is to assist in the Commission's efforts.

The Department of Education and DBEDT testified in support of this bill. UH commented 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. 3072, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 823-08 Finance on H.B. No. 3178

The purpose of this bill is to protect Hawaii's public lands by:

- (1) Establishing that any person causing an encroachment upon public lands is liable for administrative costs incurred by the Department of Land and Natural Resources (DLNR) and for payment of damages;
- (2) Increasing the current fine and establishing greater fines for subsequent violations for any person engaging in any prohibited use of public lands, conducting a prohibited activity on public lands, or violating other provisions of chapter 171, Hawaii Revised Statutes, for which a fine is not specified;
- (3) Authorizing the Board of Land and Natural Resources to, in addition to other remedies for natural resource damage or theft, set, charge, and collect a fine that is appropriate considering the value of the natural resource that is damaged or the subject of the theft; and
- (4) Providing an exemption to sanctions for persons exercising native Hawaiian gathering rights and traditional cultural practices as authorized by law or permitted by DLNR.

DLNR testified in support of this bill. 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. 3178 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 824-08 Finance on H.B. No. 2998

The purpose of this bill is to ensure the safety and welfare of the public by establishing and appropriating funds for the Adam Walsh Act Compliance Working Group to, among other things:

- (1) Determine the laws that need to be amended and new laws that need to be enacted to comply with the federal Adam Walsh Child Protection and Public Safety Act of 2006, Public Law 248-109 (Adam Walsh Act); and
- (2) Consider whether the additional costs entailed by compliance with the Adam Walsh Act and the implementing guidelines outweigh the Edward Byrne Memorial Justice Assistance Grant funds that would be retained by compliance and other benefits attributable to compliance.

The Department of Public Safety and American Civil Liberties Union 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. 2998, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 825-08 Finance on H.B. No. 3386

The purpose of this bill is to ensure the timely provision of legal services to state departments by:

- (1) Allowing a board, commission, or agency to employ or retain outside counsel in a matter other than one in which the board, commission, or agency is a defendant in litigation, if the Attorney General (AG) declines representation based on a conflict of interest; and
- (2) Amending the method by which any court or judicial or legislative office may retain legal representation. Specifically, state departments may request representation by the AG, however, if the AG declines representation due to a conflict, the AG shall employ or retain outside counsel to provide the representation, subject to the approval of the court or judicial or legislative office.

The Judiciary testified in support of this bill. The Department of the Attorney General opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3386, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 826-08 Finance on H.B. No. 2686

The purpose of this bill is to ensure that agency rulemaking does not exceed statutory authority by conforming Hawaii Administrative Procedure Law to federal law with respect to rulemaking and public participation in government.

The Hawaii Building & Construction Trades Council, AFL-CIO, testified in support of this bill. The Department of Land and Natural Resources, Department of the Attorney General, and Department of Human Resources of the City and County of Honolulu opposed this measure. Several concerned individuals offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2686, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone. (Representatives Belatti, Meyer, Pine and Ward voted no.)

SCRep. 827-08 Finance on H.B. No. 2247

The purpose of this bill is to extend the time allowed to acquire the private lands designated as part of the South Kona Wilderness Area on the island of Hawaii from December 31, 2007, to December 31, 2009.

The Nature Conservancy of Hawai'i and the Trust for Public Land supported this bill. The Department of Land and Natural Resources, Hawaii Capital Partners, LLP, and South Kona LLC 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. 2247 and recommends that it pass Third Reading.

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

SCRep. 828-08 Finance on H.B. No. 2687

The purpose of this bill is to ensure the responsible protection and reasonable use of Hawaii's aquatic resources by requiring the Department of Land and Natural Resources (DLNR) to conduct a review of any new administrative rules adopted after January 1, 2008, concerning:

- (1) The protection and propagation of introduced and transplanted aquatic life; or
- (2) The conservation and allocation of the natural supply of aquatic life, including the effects of rules governing bottomfish management and lay gill nets adopted by DLNR,

and determine whether the rules have achieved their intended purpose.

This measure also:

- (1) Requires DLNR to submit a report of its findings and recommendations of this review to the Legislature no later than 20 days prior to the convening of the Regular Session of 2009 and every five years thereafter; and
- (2) Provides an unspecified amount of funds for DLNR to conduct their review.

A concerned individual testified in support of this bill. DLNR and Conservation Council for Hawaii testified in opposition to this measure. The Nature Conservancy of Hawaii 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 H.B. No. 2687, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 829-08 Finance on H.B. No. 3060

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to resell reserved housing units, provided that those units remain affordable in perpetuity.

HCDA and a concerned individual provided comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3060, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 830-08 Finance on H.B. No. 3126

The purpose of this bill is to assist farming activities on Hawaiian Home Lands by increasing the loan ceiling for the development of farm, ranch, and aquaculture operations on Hawaiian Home Lands from \$50,000 to \$200,000.

The Department of Hawaiian Home Lands 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. 3126 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 831-08 Finance on H.B. No. 3173

The purpose of this bill is to minimize damage to the natural resources of Hawaii and prevent navigational hazards by authorizing the Department of Land and Natural Resources (DLNR) to remove a grounded vessel by any means necessary if the vessel owner cannot remove the grounded vessel within 72 hours.

DLNR, the Office of Hawaiian Affairs, and Ocean Tourism Coalition testified in support of this bill. 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. 3173, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 832-08 Finance on H.B. No. 3176

The purpose of this bill is to provide additional protections to our valuable reefs by establishing a more appropriate means of quantifying damage to living coral colonies and live rock. Specifically, this bill directs the Board of Land and Natural Resources to impose administrative penalties for damages to stony coral and live rock, using an accepted economic valuation method to gauge the relative value of the particular area damaged.

The Ocean Tourism Coalition and a concerned individual testified in support of this bill. The Department of Land and Natural Resources opposed this measure. The Office of Hawaiian Affairs, The Nature Conservancy, and several concerned individuals offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3176, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 833-08 Finance on H.B. No. 3179

The purpose of this bill is to encourage the production of organic material to be used to produce renewable energy by amending the definition of "renewable energy producer" to allow growers and producers of organic material to be used primarily for the production of biofuels and other bioenergy resources to be eligible for leases of public land without the necessity of a public auction.

The Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company 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. 3179 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 834-08 Finance on H.B. No. 3262

The purpose of this bill is to protect and preserve the valuable natural resources of Honolua Bay on the island of Maui by creating a temporary Honolua Bay Advisory Committee to develop a Honolua Bay management plan.

The Hawaii Democratic Party State Central Committee, Maui Land & Pineapple Company, Inc., Ocean Tourism Coalition, and Honolua Advisory Council testified in support of this bill. The Department of Land and Natural Resources opposed this measure. The State Procurement Office and Save Honolua Coalition 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. 3262, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 835-08 Finance on H.B. No. 3272

The purpose of this bill is to allow the current lessee of public land to match any winning bid under certain conditions when the public land is disposed of by public auction.

The Department of the Attorney General and Department of Land and Natural Resources testified in opposition to this bill. Two concerned individuals commented 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. 3272 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 836-08 Finance on H.B. No. 2062

The purpose of this bill is to promote independence and choice for individuals eligible for Medicaid by allowing Medicaid funds to be transferred from a nursing facility or long-term care-based facility to home- or community-based long-term care, support, or services.

The Hawaii Disability Rights Center and a concerned individual testified in support of this bill. The Department of Human Services provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2062, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 837-08 Finance on H.B. No. 2761

The purpose of this bill is to improve the health and welfare of women between pregnancies by requiring the provision of not less than six months of post-partum and interconception care for female participants of child-bearing age under the QUEST program.

The Hawaii Primary Care Association and Healthy Mothers Healthy Babies of Hawaii testified in support of this bill. The Department of Human Services 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. 2761, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 838-08 Finance on H.B. No. 2511

The purpose of this bill is to assist lower-income individuals seeking rental housing by:

- (1) Allowing an individual, who qualifies for a rent supplement, up to 90 days from the approval of the application to find a rental unit; and
- (2) Requiring the Hawaii Public Housing Authority (HPHA) to give priority to rent supplement applicants who are homeless or living in transitional shelters.

The Office of Hawaiian Affairs and a concerned individual 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. 2511, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 839-08 Finance on H.B. No. 3161

The purpose of this bill is to enable the Hawaii Health Systems Corporation's (HHSC) medical facilities to continue to provide needed services to the community by appropriating \$14,000,000 in emergency funding for fiscal year 2007-2008 to pay vendors and service providers.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 242 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

HHSC, its Corporate Board of Directors and Finance Information Systems and Audit Committee, Maui Memorial Medical Center, Hilo Medical Center, Hawaii County Council, Faith in Action for Community Equity, and Hawaii Government Employees Association testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3161 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 840-08 Finance on H.B. No. 3140

The purpose of this bill is to make an emergency appropriation of \$10,000,000 to the Hawaii Public Housing Authority (HPHA) to repay the Department of Budget and Finance for a loan to pay for liability insurance and payroll costs, and to address budget deficits of the federal low-rent program, State Family Public Housing Program, and State Elders Housing Program.

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.

HPHA and the 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. 3140 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 841-08 Finance on H.B. No. 2909

The purpose of this bill is to support efforts to celebrate Hawaii's fiftieth anniversary of statehood by appropriating funds for the 50th Anniversary of Statehood Commission.

The 50th Anniversary of Statehood Commission testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2909 and recommends that it pass Third Reading.

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

SCRep. 842-08 Finance on H.B. No. 2587

The purpose of this bill is to encourage Hawaii's students to develop skills necessary to compete in today's global economy by appropriating funds to:

- (1) Support creativity academies, including funds for the creative or production center incubator; and
- (2) Develop a turnkey digital media program that can be replicated for use in the University of Hawaii (UH) community colleges.

The Department of Business, Economic Development, and Tourism, UH, South Maui Learning Ohana, Inc., and numerous concerned individuals supported this bill. The Department of Education and Hi Tech Quest 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. 2587, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 843-08 Finance on H.B. No. 2395

The purpose of this bill is to develop and strengthen the innovation sector of Hawaii's economy by:

- (1) Establishing the Hawaii Innovation Development Corporation (HIDC);
- (2) Establishing an Innovations and Inventions Revolving Fund (Fund); and
- (3) Making an appropriation into the Fund, to be expended by HIDC to develop and exploit innovations and inventions that have direct economic benefits for Hawaii.

The Professional Inventors Alliance and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, and UNITE HERE! Local 5 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. 2395, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 844-08 Finance on H.B. No. 2415

The purpose of this bill is to improve the High Technology Development Corporation's (HTDC) matching grant program by:

- (1) Removing the \$25,000 cap on matching grants to allow grants of up to 50 percent of moneys awarded to a small business by the Federal Small Business Innovation Research and Small Business Technology Transfer programs;
- (2) Giving preference to qualified businesses receiving their first award over multiple award grantees; and
- (3) Allowing rather than requiring HTDC to apply for a transfer of funds from the Hawaii Capital Loan Revolving Fund when funds appropriated for grants do not satisfy all qualified requests.

The Department of Business, Economic Development, and Tourism, HTDC, and an 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. 2415, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 845-08 Finance on H.B. No. 3360

The purpose of this bill is to support statewide planning and coordination efforts for Hawaii's science and technology sector by establishing the Hawaii State Science and Technology Task Force to, among other things, develop the Hawaii State Science and Technology Plan.

The University of Hawaii, High Technology Development Corporation, Office of Information Practices, and the Hawaii Science & Technology Council 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. 3360, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 846-08 Finance on H.B. No. 2198

The purpose of this bill is to address the needs of grandparents who raise their grandchildren by establishing the Grandparents Raising Grandchildren Task Force to assess the needs and issues facing these grandparents, to include, among other things:

- (1) Reviewing recent reports and documents on this issue; and
- (2) Submitting an interim and final report on this matter to the Legislature.

The Executive Office on Aging and Hawaii Aging Advocates Coalition testified in support of this bill. The Partners in Development Foundation commented 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. 2198, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 847-08 Finance on H.B. No. 2665

The purpose of this bill is to authorize the Hawaii Public Housing Authority (HPHA) to include as part of a request for proposals for the construction or renovation of a public housing project, a price preference or scoring bonus for a person who proposes to concurrently redevelop adjacent real property.

HPHA 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. 2665, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 848-08 Finance on H.B. No. 2770

The purpose of this bill is to provide all heads of households receiving government financial assistance access to a post-secondary degree, by making all First-to-Work Program participants eligible for the Bridge to Hope Program.

The Department of Human Services, Office of Hawaiian Affairs, National Association of Social Workers, Legal Aid Society of Hawaii, Coordinator of the Bridge to Hope Program, and several concerned individuals supported this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2770, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 849-08 Finance on H.B. No. 2151

The purpose of this bill is to help lower increasing medical malpractice insurance costs for physicians and improve patient access to medical care by establishing a medical malpractice captive insurance company to provide affordable medical malpractice insurance coverage to self-employed physicians practicing in the state.

The Hawaii Association of Health Plans and a concerned individual supported this bill. The Department of Commerce and Consumer Affairs and Hawaii Insurers Council 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. 2151, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 850-08 Finance on H.B. No. 2196

The purpose of this bill is to support the work of the Joint Legislative Committee on Family Caregiving to assist caregivers by, among other things:

- (1) Changing its name to the Joint Legislative Committee on Aging in Place (JLCAP);
- (2) Extending the term of JLCAP to June 30, 2009;
- (3) Expanding JLCAP's mandate to include aging in place issues as they relate to family caregiving;
- (4) Requiring JLCAP to design the cash and counseling project for non-Medicaid eligible elders;
- (5) Authorizing the Kupuna Care Program to expand its services, including emergency, overnight, and weekend respite services; and
- (6) Appropriating funds to support these efforts.

The State Council on Developmental Disabilities, Agency on Elderly Affairs for the County of Kauai, Healthcare Association of Hawaii, Kokua Council, Catholic Charities Hawaii, Hawaii Alliance for Retired Americans, Hawaii Aging Advocates Coalition, National Multiple Sclerosis Society, and a concerned individual supported this bill. The Executive Office on Aging submitted comments.

Funding for JLCAP is included as part of the legislative budget.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2196, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 851-08 Finance on H.B. No. 2881

The purpose of this bill is to ensure that perinatal services are provided to women struggling with substance abuse problems by:

- (1) Making permanent the perinatal clinic (Clinic) within the University of Hawaii John A. Burns School of Medicine; and
- (2) Appropriating funds for the Clinic.

The Drug Policy Forum of Hawaii, Healthy Mothers Healthy Babies Coalition of Hawaii, Perinatal Addiction Treatment of Hawaii, and several concerned individuals supported this bill. The Department of Human Services and University of Hawaii at Manoa commented 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. 2881, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 852-08 Finance on H.B. No. 3150

The purpose of this bill is to protect the health and safety of the residents of Hawaii by clarifying the reporting requirements for hazardous and extremely hazardous substances in the Emergency Planning and Community Right-to-Know Act.

The Department of Health, Kauai Fire Department, Honolulu Fire Department, and Honolulu Local Emergency Planning Committee 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. 3150, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 853-08 Finance on H.B. No. 2003

The purpose of this bill is to plan for a preferred energy future for Hawaii by appropriating funds for the Hawaii Energy Policy Forum (Forum) to continue its work, in fiscal year 2008-2009, in developing smart energy solutions through an action plan that identifies specific areas of interest on which the Forum will focus.

The Hawaiian Electric Company, Inc., and its subsidiaries Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, and Forum testified in support of this bill. The Department of Business, Economic Development & Tourism, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and University of Hawaii System 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. 2003 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 854-08 Finance on H.B. No. 2811

The purpose of this bill is to reduce Hawaii's dependence on fossil fuels by appropriating funds to the Energy Systems Development Special Fund for the Hawaii Natural Energy Institute, which is tasked to, among other things, conduct research and development of renewable sources of energy and deploy efficient energy end-use technologies.

The Hawaii Renewable Energy Alliance, ClearFuels Technology Inc., and a concerned individual testified in support of this bill. The University of Hawaii System 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. 2811 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 855-08 Finance on H.B. No. 2437

The purpose of this bill is to improve traffic flow in an effort to reduce travel time along the central Oahu corridor by requiring and appropriating funds for the Department of Transportation (DOT) to perform a study to develop a comprehensive set of recommendations. The study is to include:

- (1) A comprehensive review of central Oahu traffic flow studies already conducted and any other factors deemed appropriate and relevant, including:

- (A) Communities and areas affected, and the population densities and growth of those communities;
 - (B) Existing patterns and trends in traffic flows and density;
 - (C) Existing peak and off-peak usage and flows under varying conditions;
 - (D) Peak carrying capacity of area freeways, highways, and roads at current usage patterns; and
 - (E) A comparison of these patterns with projected patterns and usage with contra-flow lanes;
- and
- (2) A review of alternatives for improving regional connectivity and reducing travel time, including:
 - (A) The feasibility of extending contra-flow lanes to Mililani;
 - (B) A determination of the effect on commuter travel time and carrying capacity of the regional transportation infrastructure resulting from the construction and proposed construction of additional housing units in central and leeward Oahu;
 - (C) An evaluation of the impact that a fully-developed light rail system on Oahu would have on central Oahu commuter times and connectivity; and
 - (D) An evaluation and prioritization of the impact on regional connectivity and commuter times of certain proposed transportation improvements in central Oahu.

This bill also establishes a task force made up of area residents, state and county land use and transportation officials, and area developers to provide advice and assistance to DOT as it conducts its study.

The Mililani/Waipio/Melemanu Neighborhood Board No. 25 testified in support of this bill. DOT 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. 2437 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 856-08 Finance on H.B. No. 2491

The purpose of this bill is to address new methods of transportation development, while protecting the public interest, by declaring, as state policy, certain best practices to which the Governor and Department of Transportation (DOT) must adhere in any public-private transportation partnership agreement.

The Hawaii Government Employees Association testified in support of this bill. DOT commented 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. 2491 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 857-08 Finance on H.B. No. 2531

The purpose of this bill is to protect the health, safety, and welfare of the residents and visitors of West Maui by establishing an informal, temporary West Maui Transportation Access Plan Working Group within the Maui Civil Defense Agency to develop an access plan to address road closures in West Maui.

Maui Land & Pineapple Company, Inc., testified in support of this bill. The Department of Transportation 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. 2531, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 858-08 Finance on H.B. No. 2856

The purpose of this bill is to help relieve traffic congestion through innovative means by requiring and appropriating funds for the Department of Transportation (DOT) to conduct a feasibility study of the implementation of a system of electronic road pricing in Hawaii;

DOT 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. 2856 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 859-08 Finance on H.B. No. 3196

The purpose of this bill is to maintain one source of revenue stream for the State Highway Fund (Fund) by extending the assessment of the \$3 per day rental motor vehicle surcharge tax for an additional year.

In addition, this bill provides a long-range assessment of the needs of the Fund by requiring the Department of Transportation (DOT) to:

- (1) Conduct a review and study of the financial requirements of the Fund; and
- (2) Report its findings, and proposed legislation for increasing revenue sources for the Fund to meet its ongoing and future needs, prior to the start of the Regular Session of 2009.

The Department of Taxation, DOT, and Catrala-Hawaii testified in support of this bill. The Tax Foundation of Hawaii commented 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. 3196, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 860-08 Finance on H.B. No. 3197

The purpose of this bill is to provide an emergency appropriation of \$21,253,032 out of the State Highway Fund for fiscal year 2007-2008 to pay for rising costs of operating and maintaining the state highway system.

The Department of Transportation (DOT), Hawaii Transportation Association, and General Contractors Association of Hawaii supported this bill.

Your Committee notes that DOT made a similar request in its supplemental budget request for fiscal year 2008-2009. In addition, your Committee remains concerned regarding DOT's inaction in providing appropriate lighting for the "dark" corridors along freeways in west and central Oahu. Your Committee respectfully requests DOT to address this issue in a timely fashion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3197 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 861-08 Finance on H.B. No. 3377

The purpose of this bill is to promote safety on Hawaii's roadways by, among other things:

- (1) Requiring the installation of an ignition interlock device (ignition interlock), a device that prevents the starting or operating of the motor vehicle of a person with more than a minimal alcohol concentration, into the motor vehicles of persons who were arrested for driving under the influence of an intoxicant (DUII), while their cases are pending and while their licenses are revoked;
- (2) Requiring the cost of the installation and maintenance of an ignition interlock to be borne by the defendant;
- (3) Establishing the Ignition Interlock Special Fund to be administered by the Department of Transportation (DOT) to fund the costs of installing and operating ignition interlock systems in vehicles of persons who are required to install these devices in their vehicles but who are indigent;
- (4) Decreasing the revocation period for a person whose record shows three or more prior alcohol enforcement or drug enforcement contacts during the five years preceding the date the notice of administrative revocation was issued, from lifetime revocation to a minimum of five years and a maximum of ten years;
- (5) Stipulating that a driver under the age of 18 who was arrested for DUII shall be subject to an additional penalty of being prohibited from driving during the period preceding the driver's eighteenth birthday, and shall be subject to the ignition interlock requirement until the license revocation is completed;
- (6) Allowing the issuance of permits authorizing the use of a vehicle without ignition interlock if the operation of the vehicle is required for employment and specifying when permits shall not be issued;
- (7) Requiring a one-year license revocation and installation of ignition interlock for a first DUII offense;

- (8) Increasing license revocation periods for highly intoxicated drivers and repeat DUI offenders;
- (9) Requiring the Department of Health (DOH) to establish standards and procedures for the certification of ignition interlocks and for vendors who install and maintain them;
- (10) Establishing the Hawaii Ignition Interlock Implementation Task Force (Task Force) to plan for the implementation of ignition interlock provisions contained in this bill and prepare reports and recommendations for the Legislature, including any additional proposed legislation to implement this program; and
- (11) Appropriating unspecified funds for the Task Force to carry out its responsibilities.

The Mayor of the County of Hawaii, Honolulu Police Department, Mothers Against Drunk Driving – Hawaii, Alliance of Automobile Manufacturers, and Miller Brewing Company supported this bill. DOH, Attorney General, the Judiciary, DOT, Department of Budget and Finance, Department of the Prosecuting Attorney of the City and County of Honolulu, and Anheuser Busch Companies 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. 3377 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 862-08 Economic Development & Business Concerns on H.B. No. 1075

The purpose of this bill is to correct inequities in long-term commercial and industrial ground leases through the imposition of certain conditions increasing the fairness of the lease to lessees who undertake the lease for the purpose of developing, improving, operating, and subletting the properties.

Your Committee received testimony in support of this bill from the Hawaii Council of Associations of Apartment Owners and several concerned individuals. The Chamber of Commerce of Hawaii, and the Land Use Research Foundation testified in opposition to the measure. Kamehameha Schools submitted comments.

Your Committee heard testimony that some of the lease holders that would be provided relief under this measure are required to invest substantial amounts of money into infrastructure improvements with insufficient time left on the lease to recoup their investment. Your Committee notes that this bill was introduced to address this, and other inequities in the leases of commercial and industrial lease holders that can negatively affect business and our economy.

However, there are concerns that this measure could violate the Contracts Clause of the United States Constitution, as it would affect the terms of leases already in effect. To encourage further discussion of the issues raised by this bill, your Committee has changed its effective date to July 1, 2034.

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. 1075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1075, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 863-08 Consumer Protection & Commerce on H.B. No. 2920

The purpose of this bill is to prevent the fraudulent alteration of notarized documents by:

- (1) Requiring notaries to:
 - (A) Place the notary's seal over a succinct phrase describing the document being notarized; and
 - (B) Keep a record describing the nature of the notarized document;
 and
- (2) Authorizing the Attorney General to prescribe measures as necessary to prevent the fraudulent use of notarized documents.

The Department of the Attorney General and a concerned individual testified in support of this bill.

Your Committee finds that the alteration of notarized documents undermines the various requirements for these documents that are imposed to ensure their authenticity. This measure attempts to address this concern by making it more difficult to alter notarized documents by, for example, switching the signature page from a notarized document into an unrelated document.

Your Committee further notes the Attorney General's concerns that this bill may not be comprehensive enough to address other issues relating to notaries, and is open to future consideration of the Attorney General's suggested amendments to this bill should they be incorporated in future drafts 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. 2920 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 Evans, Morita and Sonson.

SCRep. 864-08 Finance on H.B. No. 2907

The purpose of this bill is to protect our native ecosystems from the harm caused by certain species by appropriating funds for the reduction and abatement of the feral pig population, including the purchase and maintenance of tools and equipment necessary for abatement activities.

The Sierra Club, Hawaii Chapter, and a concerned individual testified in support of this bill. Animal Rights Hawaii and several concerned individuals opposed this measure. The Department of Land and Natural Resources offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2907 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 and Nakasone.

SCRep. 865-08 Finance on H.B. No. 3191

The purpose of this bill is to amend Hawaii's income tax laws to conform with changes to the federal Internal Revenue Code.

The Department of Taxation supported this bill. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3191, 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, Har and Nakasone.

SCRep. 866-08 Finance on H.B. No. 2872

The purpose of this bill is to require the Department of Land and Natural Resources (DLNR) to extend its recreational-residence use leases in the Kokee and Waimea Canyon state parks for five years at an unspecified percentage increase.

A member of the Kauai County Council and numerous concerned individuals testified in support of this bill. DLNR and the Department of the Attorney General opposed this measure. Many concerned individuals 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. 2872 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 and Nakasone.

SCRep. 867-08 Finance on H.B. No. 1898

The purpose of this bill is to mitigate damage from storm runoff at Kaelepulu pond by providing funding to dredge, install drain inlets and sediment devices, and make other modifications.

Enchanted Lakes Residents Association and several concerned individuals supported this bill. The Department of Land and Natural Resources (DLNR) opposed this bill. Windward Ahupua'a Alliance submitted comments.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting the substance of House Bill. No. 3341, Regular Session of 2008. As amended, this bill:

- (1) Requires DLNR to address the problems of the Kailua waterways system by appropriating funds to:
 - (A) Conduct an engineering study and an environmental assessment for the preliminary design and specification of measures to restore adequate water flow from Kawainui marsh to Kawainui stream using siphons, tunnels, pumps, or other appropriate measures;
 - (B) Conduct a study to maximize the efficiency of the monthly stream mouth opening procedures, as well as to improve procedures to respond to threats of flooding due to a blocked canal mouth; and
 - (C) Design and implement measures to reduce the amount of polluted runoff delivered to Kaelepulu pond by redesigning and restoring the function of the Keopu flood basin;

and

- (2) Appropriates funds, under certain conditions, for the Department of Transportation to plan, design, and construct measures to address water quality, siltation, and other Kailua waterway system problems as mentioned in the bill.

Your Committee has also changed this measure's 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. 1898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1898, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Karamatsu, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 868-08 Finance on H.B. No. 2260

The purpose of this bill is to appropriate funds for staffing and operating costs of the Hawaii Association of Conservation Districts.

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Hawaii Crop Improvement Association, East Kauai Soil and Water Conservation District, Puna Soil and Water Conservation District, West Maui Soil and Water Conservation District, and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources 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. 2260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2260, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 869-08 Finance on H.B. No. 2540

The purpose of this bill is to ensure continuous availability of drinkable water especially in rural communities of the state by providing an income tax and general excise tax exemption for companies that provide potable water and are exempt under section 501(c)(12) of the Internal Revenue Code and collect at least 85 percent of its income from members for the sole purpose of meeting losses and expenses.

Horwath Kam & Company, Napu'u Water, Inc., and numerous concerned individuals supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Removing references to the requirement that 85 percent of income collected by an eligible company would be used only for paying expenses and losses; and
- (2) Changing the effective date to January 1, 2020, to encourage further discussion.

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

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

SCRep. 870-08 Finance on H.B. No. 2737

The purpose of this bill is to support the development of new water sources by appropriating funds, dependent on matching funds from the federal and county governments, for the planning and design of a reservoir to serve the agricultural and residential needs of Upcountry Maui.

The Maui County Farm Bureau, Hawaii Farm Bureau Federation, Kula Community Association, and many concerned individuals testified in support of this bill. The Department of Agriculture and several concerned individuals provided comments.

Your Committee has amended this bill by:

- (1) Removing the appropriation amount to encourage further discussion;

- (2) Clarifying the specific details of the matching fund requirements;
- (3) Changing the effective date to July 1, 2020; 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. 2737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2737, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 871-08 Finance on H.B. No. 3259

The purpose of this bill is to protect and preserve the environment in the Ala Wai Watershed by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to conduct a study to evaluate the options, policy foundations, and technical assessments on the use of land trusts to address the flooding, pollution, and ecosystem degradation of the rivers and streams within the Ala Wai watershed; and
- (2) Appropriating funds for this study.

DLNR commented on this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation for the study to an unspecified amount;
- (2) Changing its effective date to July 1, 2020, to encourage 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3259, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 872-08 Finance on H.B. No. 2099

The purpose of this bill is to provide a tax credit to taxpayers as required by article VII, section 6, of the State Constitution.

The Department of Taxation offered comments.

Your Committee has amended this bill by:

- (1) Providing a \$1 tax credit; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Article VII, section 6, of the State Constitution requires the Legislature to provide for a tax credit or tax refund whenever the general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years.

This bill meets that constitutional requirement by allowing each taxpayer a \$1 credit multiplied by the number of qualified exemptions a taxpayer is entitled to claim. The credit will be deductible from the 2008 taxable year.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2099, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward.

SCRep. 873-08 Finance on H.B. No. 2942

The purpose of this bill is to repeal certain tax credits and tax exemptions and require the Department of Business, Economic Development, and Tourism (DBEDT) and Department of Human Services (DHS) to evaluate those tax credits and tax exemptions and report to the Legislature as to whether they should be modified, reenacted, or repealed.

The Department of Taxation (DOTAX), Hawaii Housing Finance and Development Corporation, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., Hawaii

Bankers Association, and PacifiCap Group, LLC, opposed this bill. DBEDT, DHS, Hawaii Science & Technology Council, Hawaii Association of REALTORS, and EAH Housing provided comments.

Your Committee has amended this bill by:

- (1) Adding provisions for penalties for making unreasonable or fraudulent claims for a tax refund or credit;
- (2) Removing some of the tax credits and exemptions from the list to be repealed and evaluated;
- (3) Allowing DOTAX to work with other agencies and contract with technical experts to conduct the evaluation and report;
- (4) Adding an appropriation for an unspecified amount for DOTAX to hire additional staff to conduct the evaluation and report; 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. 2942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2942, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 874-08 Water, Land, Ocean Resources & Hawaiian Affairs/Judiciary/Finance on H.B. No. 266

The purpose of this bill is to most effectively and responsibly meet the State's constitutional obligations to native Hawaiians with regard to the benefits from the lands in the public trust referred to in Article XII, Sections 4 and 6, of the Hawaii Constitution (public trust lands). Among other things, this bill:

- (1) Conveys certain parcels of land in Kakaako Makai and Kalaeloa Makai on Oahu and on Hilo Banyan Drive on the island of Hawaii, and pays \$13,189,860 to the Office of Hawaiian Affairs (OHA) for the period from November 7, 1978, to July 1, 2008, as a result of a re-examination of the State's constitutional obligation to native Hawaiians;
- (2) Establishes a method for determining for each fiscal biennium, beginning in fiscal biennium 2009-2011, the amount of income and proceeds that OHA is to receive from the public trust lands;
- (3) Finds that the amount of income and proceeds OHA is to receive from the public trust lands for fiscal year 2008-2009 is \$15,100,000 and mandating the disbursement of the sum to OHA;
- (4) Authorizes the chairperson of OHA to appoint an additional member to the Hawaii Community Development Authority (HCDA); and
- (5) Exempts the Kakaako Makai lands conveyed to OHA from certain powers that HCDA has over those lands.

The Trust for Public Land, Association of Hawaiian Civic Clubs, Hawaiian Civic Club of Honolulu, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Hui Malama Ola Na Oiwi, Historic Hawaii Foundation, Pauline Worsham Marketing, Manawalea Riding Center, Ohana Naluai, and numerous concerned individuals supported this bill. The Institute for Native Pacific Education and Culture, Native Hawaiian Hospitality Association, and numerous concerned individuals supported the intent of this measure. OHA, Hawaiian Political Action Council of Hawaii, and several concerned individuals supported this bill with amendments. Aloha for All and several concerned individuals opposed this measure. The Attorney General (AG), Hawaii Habitat for Humanity, Kanaka Council Moku O Keawe, and numerous concerned individuals provided comments.

The Admissions Act, besides bestowing statehood upon Hawaii and addressing other matters, transferred certain former Crown or Government lands, then held by the United States, to the State of Hawaii. Pursuant to Article XII, Section 4, of the Hawaii Constitution, a certain portion of these ceded lands are "held by the State as a public trust for native Hawaiian and the general public." On November 7, 1978, OHA was constitutionally established to, among other things, manage and administer all income and proceeds from that pro rata portion of the public trust lands. In Trustees of the Office of Hawaiian Affairs v. Yamasaki, 69 Haw. 154, 737 P.2d 446 (1987), the Hawaii Supreme Court concluded that the issue of how the apportionment is formulated is a political question for the Legislature to determine. The court further found in Office of Hawaiian Affairs v. State of Hawaii, 96 Haw. 388, 401, 31 P.3d 901, 914 (2001), that:

*The State's obligation to native Hawaiians is firmly established in our constitution. **How** the State satisfies that constitutional obligation requires policy decisions that are primarily within the authority and expertise of the legislative branch. As such, it is incumbent upon the legislature to enact legislation that gives effect to the right of native Hawaiians to benefit from the ceded lands trust. (Emphasis in original)*

Your Committees recognize that the Governor and OHA have reached a settlement agreement with respect to all issues relating to the amount to be paid to OHA from the income and proceeds from the public trust lands for the period between November 7, 1978, and July 1, 2008, and find that the lands and funds identified in the settlement agreement reflect a joint recommendation as to the policy the Legislature should adopt in fulfilling its constitutional obligation to native Hawaiians.

After giving careful consideration to the history of the public trust lands, recommendations of the Governor and OHA, and re-examining the State's constitutional obligations to native Hawaiians, including the payments made to OHA in the past, your Committees find that the substance of this bill most effectively and responsibly meets those constitutional obligations.

In re-examining the disbursements of income and proceeds from the public trust lands made to OHA in the past, your Committees find that the recommendations of the Governor and OHA are in order, that is, \$13,189,860 and the conveyance of certain lands, with improvements thereon, to OHA. Although title to the lands will be in OHA, the lands conveyed are still considered public lands held by a state agency. As such, the lands for the most part are treated as any other state lands, except for specific exemptions, including the prohibition of HCDA to condemn land and siting the proposed cultural public market on OHA's Kakaako Makai property.

Your Committees find that disbursements on a regular basis are critically important to the success of OHA's mission. This bill sets forth a procedure that provides information regarding receipts from the lands in the public trust referred to in Article XII, Section 4, of the Hawaii Constitution, to the Legislature on a schedule that allows the Legislature to determine the amount of income and proceeds OHA is to receive from the public trust lands on a biennium basis and disburseable quarterly. To ensure the timely determination and disbursement of the amount of income and proceeds OHA is to receive from the public trust lands, should the Legislature fail to enact legislation, this bill authorizes the Governor to make the determination and disbursement to OHA after considering certain factors.

After extensive discussion, the Governor and OHA found the amount of \$15,100,000 per fiscal year to be an appropriate amount of the income and proceeds OHA is to receive from the public trust lands for fiscal year 2008-2009. Your Committees find no compelling reasons to doubt the appropriateness of their conclusion. However, the amount of income and proceeds OHA is to receive from the public trust lands every fiscal biennium should not be fixed, but commensurate with the income and proceeds amounts, which may vary over time.

While a future legislature cannot be bound by the actions of a prior legislature, your Committees believe that the amount of the income and proceeds OHA is to receive from the public trust lands should never fall below the sum of \$15,100,000 per fiscal year. As an expression of your Committees' strong recommendation to establish a minimum amount to guide future legislatures and governors, your Committees have amended this bill by requiring that the amount of \$15,100,000 per fiscal year serve as the floor baseline for future legislatures and governors as the amount of income and proceeds OHA is to receive from the public trust lands is set.

Additionally, your Committees have also amended this bill by:

- (1) Rewording the purpose section to:
 - (A) Reflect that the Legislature recognizes that OHA and the Governor reached a settlement agreement;
 - (B) State that the Legislature finds that the land and funds identified reflect a joint recommendation as to the policy the Legislature should adopt; and
 - (C) Express legislative intent that this Act is an expression of legislative policy, not a settlement or contract;
- (2) Specifically requiring the Legislature to determine the appropriate dollar amount of income and proceeds OHA is to receive from the public trust pursuant to Article XII, Sections 4 and 6, of the Hawaii Constitution, every fiscal biennium;
- (3) Ensuring that OHA would receive an amount equal to the previous authorized disbursement in the event that neither the Legislature nor the Governor set the dollar amount of income and proceeds OHA is to receive from the public trust pursuant to Article XII, Sections 4 and 6, of the Hawaii Constitution;
- (4) Including the Highways Division of the Department of Transportation as one of the state agencies that is required to transfer to OHA a portion of the receipts collected from public trust lands;
- (5) Clarifying that OHA is to hold the property that is conveyed under this bill in trust pursuant to Article XII, Sections 4, 5, and 6, of the Hawaii Constitution;
- (6) Extending the requirement for the report from the Department of Land and Natural Resources (DLNR) regarding the receipts collected from lands in the public trust referred to in Article XII, Section 4, of the Hawaii Constitution, to 30 days before the convening of the 2011 Regular Session, and allowing DLNR to submit a similar report under Act 178, Session Laws of Hawaii 2006, prior to the 2009 and 2010 Regular Sessions;
- (7) Deleting from the scope of the DLNR report, information relating to the sale or exchange of public trust lands;
- (8) Specifically providing that the property conveyed by this bill does not include the minerals or surface or ground water rights the State retains in the property;
- (9) Specifically authorizing the AG to direct the execution and recording of instruments of conveyance for the lands conveyed to OHA under this bill;
- (10) Removing the reference to county legislative bodies from the provision regarding the limitation of power to enact laws that may affect the land conveyed to OHA under this measure, since the powers and authority of the counties are as provided by the Hawaii Constitution and law; and
- (11) Clarifying in the land transfer section of the bill that the section does not limit the power of the Legislature to enact any laws.

Your Committees have also made a technical amendment to the statutory section relating to which funds the Board of Trustees of OHA may be paid from, to conform to the statutory changes regarding the determination of the amount of income and proceeds OHA is to

receive from the public trust lands made in this bill. Your Committees have also made other 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 Judiciary and Finance that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 266, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 266, H.D. 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Evans, Har, McKelvey, Morita, Nakasone, Saiki, Sonson, Meyer and Pine. (Representative Luke voted no.)

SCRep. 875-08 Judiciary 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 Department of Human Services, Hawaii Foster Youth Coalition, Legal Aid Society of Hawaii, and several concerned individuals supported this bill.

Your Committee understands that foster children may have valuable opinions and information concerning their future, and agrees that their participation in hearings held subsequent to permanent plan hearings may provide important insights.

Recognizing that there may be circumstances when a foster child might not be available for service and that a hearing may need to commence for reasons of judicial or administrative efficiency, your Committee has amended this measure by deleting the provision that prohibits a hearing from commencing unless the foster child, 14 years of age or older, has been served with notice.

In addition, your Committee has also amended this measure by:

- (1) Deleting the provision allowing for a shortening of time for a notice of hearing to be served to a foster child, 14 years of age or older, when the hearing is set within a shorter time frame;
- (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 H.B. No. 524, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 524, H.D. 2.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 876-08 Judiciary on H.B. No. 2350

The purpose of this bill is to codify common law regarding the liability of landowners for personal injury or property damage caused outside of the land by naturally occurring land failures on the land by limiting the liability of landowners of unimproved land for damages caused by a naturally occurring land failure to persons and property outside the boundaries of the land.

The Department of Land and Natural Resources and Kamehameha Schools testified in support of this bill. The Consumer Lawyers of Hawaii opposed this measure.

Your Committee understands that landowner liability is a serious issue in our state. Your Committee is also concerned, however, that provisions in this measure might have the unintended consequence of creating a disincentive for landowners to take advance precautions in preventing known dangerous conditions from developing on their lands.

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. 2350, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2350, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 877-08 Judiciary on H.B. No. 3331

The purpose of this bill is to specify dispute resolution procedures related to the interpretation or enforcement of a condominium association's bylaws, house rules, and other management matters. Among other things, this bill:

- (1) Cites specific sections of chapter 514A, Hawaii Revised Statutes (HRS), that may be matters subject to mediation;
- (2) Allows parties whose dispute is not resolved by mediation to file for arbitration no sooner than 30 days from the termination date of mediation; and
- (3) Makes more widely available the option for an administrative hearing.

The Hawaii Council of Associations of Apartment Owners and Hawaii Independent Condominium and Cooperative Owners testified in support of this bill. The Community Associations Institute, Hawaii Chapter, opposed this measure.

Your Committee is in basic accord with the purpose of this measure, but has concerns that certain stakeholders have not reached consensus concerning the June 30, 2009, sunset date of section 514A-121.5(b), HRS, relating to the condominium dispute hearings process under the Department of Commerce and Consumer Affairs. Accordingly, your Committee has amended this bill 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. 3331, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3331, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 878-08 Finance on H.B. No. 2735

The purpose of this bill is to improve security measures at Mayor Wright Homes public housing complex by:

- (1) Appropriating funds to hire at least three additional security guards, police officers, or public safety officers with police powers; and
- (2) Requiring the Hawaii Public Housing Authority (HPHA) to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2009 regarding the progress of security improvements.

HPHA and many concerned individuals supported 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. 2735, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2735, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 879-08 Finance on H.B. No. 2766

The purpose of this bill is to protect victims of domestic violence from their abusers by:

- (1) Allowing the courts to:
 - (A) Prohibit contact with the victim by establishing court-defined geographic exclusion zones; and
 - (B) Require the defendant to wear a global positioning satellite tracking device;
 and
- (2) Appropriating funds to cover costs associated with the electronic devices for defendants who are unable to pay.

The Hawaii State Coalition Against Domestic Violence 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. 2766, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2766, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 880-08 Finance on H.B. No. 2797

The purpose of this bill is to support the development of a homeless shelter in West Hawaii by appropriating \$12,000,000 for the design, planning, and construction of the Kaloko Housing Program.

The Hawaii Public Housing Authority, Mayor of the Island of Hawaii, County of Hawaii Office of Housing and Community Development, Hawaii County Council, an individual member of the Hawaii County Council, County of Maui Department of Housing and Human Concerns, Hawaii Family Forum, Hawaii Catholic Conference, Kawaihae Transitional Housing Program, Arc of Kona, Catholic Charities Hawaii, Community Alliance Partners, and several 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; 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. 2797, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2797, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 881-08 Finance on H.B. No. 3008

The purpose of this bill is to support community health centers by providing a tax credit for capital improvements made to federally qualified health centers.

The Hawaii Primary Care Association, Kokua Kalihi Valley, Waianae Coast Comprehensive Health Center, and Waikiki Health Center testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying the provisions related to the amount of the tax credit;
- (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. 3008, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3008, H.D. 2.

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

SCRep. 882-08 Finance on H.B. No. 3059

The purpose of this bill is to enhance the value of the state Low-income Housing Tax Credit by reducing the period over which the credits are taken from ten years to five years.

The Department of Taxation, Hawaii Housing Finance and Development Corporation, and Hawaii Association of REALTORS 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 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. 3059, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3059, H.D. 1.

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

SCRep. 883-08 Finance on H.B. No. 3139

The purpose of this bill is to conform state law to current federal law by replacing references to the Aid to Families with Dependent Children and the Job Opportunities and Basic Skills Act with the correct references under the federal Temporary Assistance for Needy Families law.

The Department of Human Services supported this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3139, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3139, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 884-08 Finance on H.B. No. 3400

The purpose of this bill is to protect the health and welfare of children by requiring the Department of Human Services (DHS) to amend its administrative rules to add "legal guardians" to the definition of a specified relative for purposes of determining eligibility for state-funded family assistance.

The Legal Aid Society of Hawaii testified in support of this bill. DHS testified in opposition to this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3400, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3400, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 885-08 Finance on H.B. No. 2412

The purpose of this bill is to ensure that health care payments made with state funds or controlled by the State are sufficient to cover the actual costs of the care provided, by appropriating \$5,774,340 for the State's portion of the federal disproportionate share hospital allowance.

The Healthcare Association of Hawaii, The Queen's Medical Center, and Hawaii Pacific Health supported this bill. The Department of Human Services submitted comments.

Your Committee has amended this bill by:

- (1) Replacing the appropriation with an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2412, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2412, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 886-08 Finance on H.B. No. 2576

The purpose of this bill is to improve dental care in underserved populations by appropriating funds for the Hawaii Health Systems Corporation to provide dental services through its community-based dental health clinics to kupuna, keiki, the developmentally disabled, and the uninsured.

The State Council on Developmental Disabilities and Hawaii Primary Care Association testified in support of this bill. The Department of Human Services and Attorney General provided comments.

Your Committee has amended this bill by:

- (1) Financing the appropriation with general funds instead of funds from the Temporary Assistance for Needy Families program block grant; 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. 2576, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2576, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 887-08 Finance on H.B. No. 2913

The purpose of this bill is to protect the health and well being of chronic kidney patients and patients with end-stage renal disease living in rural areas by appropriating funds for the development and implementation of the modified home care and community health demonstration project to provide necessary treatments for these patients.

The National Kidney Foundation of Hawaii, St. Francis Healthcare System of Hawaii, and Policy Advisory Board for Elder Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount for the development and implementation of the modified home care and community health demonstration project 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. 2913, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2913, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 888-08 Finance on H.B. No. 2004

The purpose of this bill is to reduce our dependence on fossil fuels for transportation by appropriating \$175,000 for the Hawaii Energy Policy Forum (Forum) to continue its study with the Energy-efficient Transportation Strategies Working Group resulting from Act 254, Session Laws of Hawaii 2007, to develop energy-efficient transportation strategies.

The Alliance of Automobile Manufacturers testified in support of this bill. The Department of Business, Economic Development & Tourism, University of Hawaii at Manoa, High Technology Development Corporation, Hawaiian Electric Company, Inc., and its subsidiaries, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., and Forum offered comments.

Your Committee has amended this bill by:

- (1) Requiring the Forum to submit an interim report of its progress prior to the 2009 regular session, and a final report of its findings and recommendations prior to the 2010 regular session, to enable the Forum to produce a more fully-developed report;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing its 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. 2004, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2004, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 889-08 Finance on H.B. No. 2005

The purpose of this bill is to promote the use renewable energy sources by expanding the Renewable Energy Technologies Tax Credit (Tax Credit) to include solar electric energy systems.

The Department of Business, Economic Development, and Tourism, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, Hawaii Energy Policy Forum, Sopogy Inc., Hawaii PV Coalition, and Solar Alliance supported this bill. The Department of Taxation and SunEdison submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing the transfer of the Tax Credit by a taxpayer in exchange for a lump sum payment equal to the value of the Tax Credit;
- (2) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2005, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2005, H.D. 1.

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

SCRep. 890-08 Finance on H.B. No. 2330

The purpose of this bill is to promote the use of electric vehicles by:

- (1) Requiring the Department of Transportation (DOT) to adopt rules for the registration of, and requiring the counties to establish and issue special license plates for, electric vehicles;
- (2) Providing incentives to use electric vehicles, including exempting electric vehicles from parking fees and high occupancy vehicle lane restrictions, and exempting neighborhood electric vehicles from motor vehicle registration taxes and licensing fees; and
- (3) Requiring DOT to submit a report to the Legislature every five years on the effectiveness of these incentives beginning with the Regular Session of 2013.

DOT and the Hawaiian Electric Company, Inc., and its subsidiaries, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this bill. The High Technology Development Corporation offered 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. 2330, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2330, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 891-08 Finance on H.B. No. 2505

The purpose of this bill is to protect Hawaii's economic, environmental, and energy security through increased efficiency in the permitting of renewable energy projects by:

- (1) Establishing a renewable energy facilitator position in the Department of Business, Economic Development, and Tourism (DBEDT); and
- (2) Appropriating funds for this position.

The Hawaii Renewable Energy Alliance and Castle and Cooke Hawaii testified in support of this bill. DBEDT and Life of the Land commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation for the position from \$112,904 to an unspecified amount;
- (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. 2505, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2505, H.D. 2.

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

SCRep. 892-08 Finance on H.B. No. 2506

The purpose of this bill is to ensure the advancement of a comprehensive long-term energy strategy through the effective coordination of the mandates and efforts of key state agencies by directing the Legislative Reference Bureau (LRB) to:

- (1) Identify the statutory responsibilities of state agencies that are integral to successfully achieving state energy objectives;
- (2) Identify any duplication or deficiency in these state agencies' responsibilities relating to state energy objectives;
- (3) Research how other states address similar deficiencies in the administration of their energy policies; and
- (4) Make recommendations regarding how the state agencies can be reorganized to advance the long-term energy strategy.

This bill further provides LRB with an appropriation of \$75,000 to carry out the study as well as an exemption from the State Procurement Code for the issuance of any contracts necessary to facilitate the study.

The Hawaii Renewable Energy Alliance supported this bill. The Department of Land and Natural Resources and Department of Business, Economic Development, and Tourism opposed this measure. LRB, the Department of Agriculture, Natural Energy Laboratory of Hawaii Authority, and Life of the Land submitted comments.

Your Committee has amended this bill by:

- (1) Replacing the appropriation with an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2506, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2506, H.D. 2.

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

SCRep. 893-08 Finance on H.B. No. 2507

The purpose of this bill is to assist the work of the Greenhouse Gas Emissions Reduction Task Force (Task Force) in its efforts to help reduce by January 1, 2020, greenhouse gas emissions in Hawaii to levels at or below the estimates of greenhouse gas emissions for 1990 by appropriating \$135,000 for fiscal year 2008-2009 for a Task Force Program Manager and a Task Force Project Assistant/Researcher.

The Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., and Sierra Club – Hawaii Chapter testified in support of this bill. Life of the Land commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation for the temporary establishment of the Task Force Program Manager and a Task Force Project Assistant/Researcher positions from \$135,000 to an unspecified amount;
- (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. 2507, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2507, H.D. 1.

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

SCRep. 894-08 Finance on H.B. No. 2510

The purpose of this bill is to appropriate funds to continue the study by the University of Hawaii (UH) on the State's environmental review process, including developing a strategy for modernizing Hawaii's environmental review system.

The Conservation Council for Hawaii, KAHEA: The Hawaiian-Environmental Alliance, Sierra Club, Hawaii Chapter, Hawaii Audubon Society, and The Nature Conservancy testified in support of this bill. The Office of Environmental Quality Control opposed this measure. The Office of Hawaiian Affairs, UH-Manoa, Environmental Center, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Coalition of Hawaii Engineering & Architectural Professionals, and the Legislative Reference Bureau offered comments.

Your Committee has amended this bill by:

- (1) Deleting the appropriation section;

- (2) Inserting a defective date of 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. 2510, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2510, H.D. 2.

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

SCRep. 895-08 Finance on H.B. No. 3151

The purpose of this bill is to allow certain environmental programs of the Department of Health (DOH) to conduct business electronically and withhold funds to cover the cost of electronic or credit card provider services.

DOH 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. 3151, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3151, H.D. 2.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 896-08 Finance on H.B. No. 2952

The purpose of this bill is to provide a dedicated source of funding to improve car rental facilities at state airports by:

- (1) Allowing the Department of Transportation (DOT) to establish car rental customer facility charges (facility charges) by rule; and
- (2) Establishing the Car Rental Customer Facility Charge Special Fund into which all proceeds from the facility charges must be deposited and used for the enhancement, renovation, operation, maintenance, and development of car rental customer facilities at state airports.

Catrala Hawaii and Avis and Budget Rent A Car supported this bill. Enterprise Rent-A-Car Company of Hawaii and Alamo Rent-A-Car and National Car Rental Company of Hawaii opposed this measure. DOT, Tax Foundation of Hawaii, and Hawaii Insurers Council 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. 2952, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2952, H.D. 2.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 897-08 Consumer Protection & Commerce on H.B. No. 509

The purpose of this bill is to protect consumers from the imposition of "unhooking" fees if the owner of a vehicle targeted for towing appears on the scene before the vehicle has been moved by the tow truck.

The Department of Commerce and Consumer Affairs (DCCA) and a concerned individual testified in support of this bill. Two concerned individuals submitted comments on this measure.

Current law prohibits towing companies from charging what is known as an "unhooking fee" if the owner of the vehicle that is being hooked-up to the tow truck appears on the scene prior to the vehicle being moved by the tow truck. However, the Office of Consumer Protection of DCCA noted that there was a report of an instance where a consumer was charged a fee even though the consumer arrived on the scene before the vehicle was towed away. According to the consumer, the tow truck driver noted that the car had been moved, albeit a few feet, and thus the consumer was subject to the unhooking fee.

While your Committee understands that there are costs involved for towing companies merely to respond to a call for a tow, the financial needs of the towing company must be weighed against the consumer's interest in the fair and reasonable application of fees. As such, this measure deserves further consideration.

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. 509, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 898-08 Consumer Protection & Commerce on H.B. No. 2301

The purpose of this bill is to ensure the ability of dentists to act in the best interests of their patients by prohibiting:

- (1) Unlicensed entities from interfering in the practice of dentistry; and
- (2) The practice of dentistry in a commercial or mercantile establishment.

Two concerned individuals testified in support of this bill. The Board of Dental Examiners opposed this measure.

There are concerns that the prohibition of the practice of dentistry in a commercial or mercantile setting may be overly restrictive, especially in light of the fact that other health professionals such as optometrists and pharmacists have practiced in such establishments for years. This issue warrants further consideration as this bill moves forward.

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. 2301, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 899-08 Consumer Protection & Commerce on H.B. No. 2954

The purpose of this bill is to assist towing companies while providing consumers with increased towing services by:

- (1) Reinstating the authority of towing companies to charge overtime fees during certain hours of operation; and
- (2) Adding a new provision disallowing the overtime fee for towing companies in counties with a population greater than 500,000 if the company does not:
 - (A) Offer towing services to consumers 24 hours per day every day of the week; and
 - (B) File their hours of operation with the police department in that county.

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies opposed this bill. The Hawaii State Towing Association and a concerned individual commented on this measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2954 and recommends that it pass Third Reading.

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

SCRep. 900-08 Consumer Protection & Commerce on H.B. No. 3109

The purpose of this bill is to protect eyewear consumers by requiring persons who sell non-corrective contact lenses to be licensed dispensing opticians.

The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office (RICO), Professional Vocational Licensing Division, and Board of Examiners in Optometry testified in support of this bill.

The Food and Drug Administration currently regulates contact lenses, including decorative, non-corrective lenses, as medical devices rather than cosmetic devices. However, RICO has testified that there are reports on the state level of non-corrective contact lenses being sold at venues such as swap meets by individuals who are not licensed as dispensing opticians. This bill authorizes RICO to take action against unlicensed sellers of non-corrective contact lenses.

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. 3109 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 901-08 Consumer Protection & Commerce on H.B. No. 2810

The purpose of this bill is to support agriculture by, among other things:

- (1) Requiring water rates for farming operations to be established by agreement between the farming operation and the water supplier; and
- (2) Requiring the Public Utilities Commission (PUC) to establish just and reasonable water rates if the farming operation and water supplier fail to agree on the rate.

The Hawaii Agriculture Research Center testified in support of this bill. The Hawaii Farm Bureau Federation and Palila Growers, LLC, supported the intent of this measure. The Sierra Club, Hawaii Chapter, opposed this bill. The Department of Agriculture, Consumer Advocate, PUC, Hawaii County Council, Life of the Land, and Maui County Farm Bureau submitted comments.

Your Committee has amended this bill by replacing its entire contents with provisions that:

- (1) Authorize PUC to establish preferential rates for potable water used for agricultural activities in a public utility's service area;
- (2) Require public utilities, upon application and proof of qualification, to provide preferential rates for potable water used only for agricultural activities; and
- (3) Allow the preferential water rates to be subsidized by the water rates charged to other customers of the public utility.

Your Committee also notes for further consideration the suggestion that applications for preferential water rates under this bill as amended should be determined within 180 days from the date of application.

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. 2810, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2810, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 902-08 Consumer Protection & Commerce/Judiciary on H.B. No. 2559

The purpose of this bill is to update the Uniform Unclaimed Property Act (Act) to conform to the 1995 version of the Act.

The Commission to Promote Uniform Legislation testified in support of this bill. The Department of Budget and Finance (B&F) supported the intent of this measure.

Your Committees find that, under common law, abandoned personal property was either available to the next person who took possession and control of the property, or otherwise escheated to the State. The original Unclaimed Property Act and its successors changed that traditional approach to one in which the property or proceeds were transferred to the State as a permanent custodian for the owners.

This bill updates existing law, among other things, by:

- (1) Clarifying certain jurisdictional issues in response to a United States Supreme Court decision concerning interests in investment securities when an owner's address cannot be ascertained;
- (2) Clarifying what constitutes unclaimed property by reducing the emphasis placed on the written records of the holder of the property;
- (3) Placing restrictions on the "dormancy" charges that holders may impose;
- (4) Requiring the payment of interest on certain property items; and
- (5) Restricting the ability of third parties to charge service fees to "find" unclaimed property for clients.

This bill, does not, however, change certain features of the current law that were requested by B&F - the administrator of the Unclaimed Property Act.

Your Committees have amended the measure by:

- (1) Requiring the reporting of property that is an interest-bearing account;
- (2) Clarifying the notice and publication requirement, to retain certain features that B&F felt were effective in providing notice to property owners;
- (3) Clarifying and limiting the payment of interest by the administrator on interest-bearing property by:
 - (A) Limiting the interest requirement to properties delivered to the administrator after the Act's effective date;
 - (B) Specifying that the interest paid be simple interest; and
 - (C) In any event at no higher a rate than actually earned while in the possession of the administrator;
- (4) Replacing statutory references to the previous version of the Uniform Unclaimed Property Act;
- (5) Changing the effective date from July 1, 2008, to July 1, 2009; and
- (6) 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. 2559, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2559, H.D. 2.

Signed by all members of the Committee except Representatives Green, Luke, McKelvey, Morita and Sonson.

SCRep. 903-08 Finance on H.B. No. 2211

The purpose of this bill is to:

- (1) Provide financial support for wastewater treatment projects; and
- (2) Assist in complying with federal requirements imposed by the Environmental Protection Agency,

by appropriating funds for the Water Pollution Control Revolving Fund.

The Department of Environmental Services of the City and County of Honolulu, Mayor of the County of Hawaii, Hawaii County Council, Department of Environmental Management of the County of Hawaii, and Public Works Department, Wastewater Management Division of the County of Kauai supported this bill. The Department of Health 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. 2211 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 904-08 Finance on H.B. No. 2357

The purpose of this bill is to provide incentives to establish and sustain viable agricultural operations on important agricultural lands. Specifically, this bill, among other things:

- (1) Excludes from gross income, adjusted gross income, and taxable income, rental income, up to an unspecified maximum amount, derived from agricultural leases on lands designated as important agricultural lands (IALs) under certain conditions;
- (2) Exempts rental income, up to an unspecified maximum amount, derived from agricultural leases on lands designated as IALs from the general excise tax;
- (3) Allows landowners to develop, construct, and maintain residential dwelling units for farmers, employees, and their families on IALs under certain conditions;
- (4) Establishes an IAL Qualified Agricultural Cost Tax Credit;
- (5) Allows the Chairperson of the Board of Agriculture to guarantee loans made by commercial lenders to agricultural producers for the development and implementation of agricultural projects located on land designated as IALs, under certain conditions;
- (6) Requires the master irrigation inventory plan of the State Agricultural Water Use and Development Plan to include:
 - (A) Identification of sources of water used by agricultural operations, particularly those on lands designated as IALs; and
 - (B) Identification of current and future water needs for agricultural operations on lands designated as IALs;
 and
- (7) Requires certain agencies that issue permits to implement a procedure for priority processing of permit applications and renewals for agricultural processing facilities that process crops or livestock from certain agribusinesses

The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Land Use Research Foundation of Hawaii, and a concerned individual supported this bill. The Department of Budget and Finance and the Department of Planning and Permitting of the City and County of Honolulu opposed this measure. The Department of Agriculture, Department of Taxation, Office of Planning, Tax Foundation of Hawaii, The Chamber of Commerce of Hawaii, Hawaii Association of REALTORS, Sierra Club, Hawaii Chapter, and Dole Food Company 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. 2357, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 905-08 Finance on H.B. No. 3177

The purpose of this bill is to protect our natural resources and deter unlawful acts on conservation land by:

- (1) Raising the maximum fine from \$2,000 to \$10,000 for each violation of the laws and rules governing conservation districts;
- (2) Adding damages to natural resources as a cost that can be recovered; and
- (3) Allowing the Board of Land and Natural Resources (Board) to set, charge, and collect the fines based on the value of the natural resource that is damaged, the market value of the natural resource damaged, and any other factor deemed appropriate by the Board.

The Nature Conservancy of Hawaii and Sierra Club, Hawaii Chapter testified in support of this bill. The Department of Land and Natural Resources and Office of Hawaiian 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 H.B. No. 3177, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 906-08 Finance on H.B. No. 2739

The purpose of this bill is to support the growth of Hawaii's agriculture industry by amending the enterprise zones (EZ) law to allow more farmers to qualify for EZ tax incentives. Specifically, this bill:

- (1) Provides continued EZ eligibility for farmers whose businesses are damaged by natural disasters and extends the seven-year eligibility period for the duration of the loss;
- (2) Allows businesses engaged in processing agricultural products to qualify for EZ incentives;
- (3) Recognizes as full-time employees, employees hired under leased employee and joint employment hiring practices that allow the agriculture industry to cope with seasonal workforce needs and worker shortages;
- (4) Changes the timing of employee increases required for businesses in an area that becomes an EZ, but not the total number of new employees required, to ten percent in the first year, followed by 15 percent increases during the fourth through seventh years of operation;
- (5) Allows agricultural businesses to count retail sales of value-added products made from crops grown within the EZ, toward the minimum 50 percent of gross receipts from businesses within the zone needed to qualify for EZ incentives; and
- (6) Provides that an agricultural business' retail sales do not qualify for the EZ general excise tax exemption for gross business receipts.

The Hawaii Crop Improvement Association and Hawaii Agricultural Research Center testified in support of this bill. The Department of Agriculture, Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaii Aquaculture Association, Hawaii Farm Bureau Federation, Hawaii Science and Technology Council, Hawaii Oceanic Technology, Inc., and Hawaii Tax Foundation commented 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. 2739, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 907-08 Finance on H.B. No. 2860

The purpose of this bill is to exempt from the general excise and use taxes, the sale of aviation fuel that is purchased in a foreign-trade zone and used by a common carrier for intrastate air travel.

The Chamber of Commerce of Hawaii, Hawaiian Airlines, Aloha Airlines, March of Dimes-Hawaii Chapter, International Association of Machinists and Aerospace Workers District 141, Transport Workers Union, and Aloha Airlines Pilots' Union supported this bill. The Department of Taxation, Department of Business, Economic Development, and Tourism, 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. 2860, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 908-08 Finance on H.B. No. 2369

The purpose of this bill is to clarify the Legislature's intent to support the After-school Plus Program Revolving Fund (Revolving Fund) primarily through fees from program users by limiting deposits into the Revolving Fund to only those funds that are collected as fees or charges for participation in the A+ Program and the interest earned on Revolving Fund deposits.

The Department of Education 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. 2369 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 909-08 Finance on H.B. No. 2972

The purpose of this bill is to promote more efficient use of taxpayer investment in public education and provide 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 will:
 - (A) Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
 - (B) Recommend a list of areas for new school construction, and of schools for expansion, consolidation, or closure, subject to the review of the Legislature;

and
- (2) Directs the Board of Education to proceed with the process of constructing, expanding, consolidating, or closing underused schools according to the recommendations of the Commission, if the Legislature does not disapprove of the recommendations in their entirety.

The Department of Budget and Finance supported this bill. The Department of Education and Building Industry Association 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. 2972, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 910-08 Finance on H.B. No. 1989

The purpose of this bill is to provide resources for veterans by creating a means for the Office of Veterans' Services (OVS) to accept, invest, and expend private contributions as well as real or personal property. This bill establishes the Veterans' Gift Trust Fund with moneys earmarked exclusively to support veterans, including state veterans' home programs.

OVS 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. 1989, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 911-08 Finance on H.B. No. 2555

The purpose of this bill is to support the Hawaii Wing Civil Air Patrol, which provides our state with valuable disaster relief, search and rescue, homeland security, medical emergency transport, tsunami warning, and humanitarian services, by appropriating funds for its operational expenses.

The 66th Composite Squadron Civil Air Patrol and many concerned individuals testified in support of this bill. The Department of Defense and Hawaii Wing Civil Air Patrol 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. 2555, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 912-08 Finance on H.B. No. 2985

The purpose of this bill is to provide incentives to improve Hawaii's hotel facilities by establishing a temporary income tax credit equal to fifteen percent of the renovation costs incurred for a hotel facility for the taxable years beginning after December 31, 2013, and ending before January 1, 2020.

The Hawaii Tourism Authority testified in support of this bill. The Tourism Liaison of the Department of Business, Economic Development, and Tourism opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, and Hawaii Hotel and Lodging 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. 2985, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 913-08 Finance on H.B. No. 2302

The purpose of this bill is to enable electronic records and signatures for the memorializing of a multitude of transactions, including basic real estate transactions by:

- (1) Permitting the Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures for recording; and
- (2) Requiring the Judiciary to study what effect electronic recording may have on the adjudication of land court applications, and permissible uses for electronic recording.

The Commission to Promote Uniform Legislation, Wyndham Worldwide, American Resort Development Association – Hawaii, Escrow Association of Hawaii, and Hilton Grand Vacations, Hawaii – Asia Region supported this bill. The Judiciary, Department of Land and Natural Resources, Representative of the 24th District, Hawaii Government Employees Association, and Hawaii Association of Realtors submitted comments.

Your Committee has amended this bill by:

- (1) Authorizing the Registrar of the Bureau of Conveyances to use electronic archiving for certain sketches, blueprints, and plans; 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. 2302, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2302, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 914-08 Finance on H.B. No. 2807

The purpose of this bill is to provide incentives for landowners to designate their lands as important agricultural lands (IALs) by:

- (1) Allowing a landowner, who has been granted a declaratory order from the Land Use Commission (LUC) to designate all or some of the landowner's land as IAL, to fulfill a state or county affordable housing assessment (assessment) by providing affordable housing in lands zoned as rural in lieu of satisfying the assessment in the urban district; and
- (2) Revising the landowner petition process for IAL designation by:
 - (A) Specifying that a farmer or landowner may petition LUC for declaratory order to designate lands as IALs in perpetuity; and
 - (B) Allowing farmers or landowners that petition the LUC for declaratory order to designate lands as IALs in perpetuity to seek, in the same petition, a reclassification of land from the agricultural district to the rural district, urban district, or a combination of both, under certain conditions.

The Department of Planning and Permitting of the City and County of Honolulu, Sierra Club, Hawaii Chapter, and a concerned individual opposed this bill. The Department of Agriculture, Office of Planning, Kamehameha Schools, The Chamber of Commerce of Hawaii, Hawaii Farm Bureau Federation, Castle & Cooke Hawaii, Dole Food Company Hawaii, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., and Land Use Research Foundation of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Conforming existing law relating to the standards and criteria for reclassification or rezoning of IALs to the provisions in this measure that revise the landowner petition process for IAL designation; 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. 2807, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2807, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 915-08 Finance on H.B. No. 3016

The purpose of this bill is to ensure the safety of law enforcement officers of the Department of Land and Natural Resources (DLNR) Division of Conservation and Resources Enforcement (DOCARE) by:

- (1) Authorizing DOCARE officers to carry and use electric or "taser" guns in the performance of their duties, provided that DOCARE receives accreditation or recognition from a nationally recognized law enforcement accreditation or credentialing program; and
- (2) Appropriating \$200,000 for program accreditation, purchase of electric guns and related equipment, and training DOCARE officers in their use.

The Hawaii Government Employees Association, The Nature Conservancy of Hawaii, and numerous concerned individuals testified in support of this bill. The American Civil Liberties Union opposed this measure. DLNR and several concerned individuals submitted comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation from \$200,000 to an unspecified amount for program accreditation, purchase of electric guns and related equipment, and training DOCARE officers in their use;
- (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. 3016, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3016, H.D. 3.

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

SCRep. 916-08 Finance on H.B. No. 3175

The purpose of this bill is to conform state law to federal law by changing the title of the Hawaii Revised Statutes section relating to reporting requirements for commercial marine fishing catches.

The Department of Land and Natural Resources and a concerned individual supported this bill. A concerned individual 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. 3175, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3175, H.D. 1.

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

SCRep. 917-08 Finance on H.B. No. 3064

The purpose of this bill is to provide additional incentives to invest in renewable technologies by making the existing Renewable Energy Technologies Income Tax Credit refundable for taxpayers:

- (1) Whose adjusted gross income is \$20,000 or less; or
- (2) Whose income is derived from state retirement benefits or pension benefits that are exempt from income taxation.

The Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, SunEdison, Hawaii Solar Energy Association, Hawaii PV Coalition, The Solar Alliance, and Sierra Club Hawaii Chapter testified in support 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 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. 3064, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3064, H.D. 2.

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

SCRep. 918-08 Finance on H.B. No. 2261

The purpose of this bill is to assist agriculture and aquaculture in Hawaii by:

- (1) Establishing loans for agricultural and aquacultural sustainable projects;
- (2) Establishing specific permitted uses and eligibility requirements for these loans;
- (3) Restricting the loan amounts to \$1,500,000 or 85 percent of the project cost, whichever is less; and
- (4) Limiting the term of the loan to 40 years.

The Department of Agriculture, Hawaii Aquaculture Association, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Hawaii Farm Bureau Federation, and Hamakua Springs Country Farms 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. 2261, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2261, H.D. 2.

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

SCRep. 919-08 Finance on H.B. No. 602

The purpose of this bill is to ensure the availability of funds to improve Hawaii's school facilities. This bill repeals the sunset date of Act 304, Session Laws of Hawaii 2006, essentially requiring that \$90,000,000 continue to be deposited annually to the State Educational Facilities Improvement Special Fund for public school capital improvement program needs.

The Department of Education and Hawaii State Teachers Association testified in support of this bill. The Department of Budget and Finance and Department of Taxation opposed this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by changing its effective date to June 29, 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. 602, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 602, H.D. 2.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone. (Representative Meyer voted no.)

SCRep. 920-08 Finance on H.B. No. 2971

The purpose of this bill is to expand online learning opportunities for students across the state by requiring the Department of Education (DOE) to implement the recommendations of the Online Learning Task Force.

DOE and the Hawaii State Teachers Association commented 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. 2971, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2971, H.D. 1.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 921-08 Finance on H.B. No. 2792

The purpose of this bill is to ensure fair payment for substitute teachers by:

- (1) Requiring the Board of Education (BOE) to provide wage adjustments for substitute teachers comparable to the wage adjustments negotiated for teachers in collective bargaining unit 5; and
- (2) Allowing BOE to adjust the hours, benefits, and other terms and conditions of employment for substitute teachers.

The Department of Education and Hawaii State Teachers Association supported this bill. The Department of the Attorney General, Hawaii Carpenters Union, Local 745, and Alston, Hunt, Floyd, and Ing submitted comments.

Your Committee has amended this bill by:

- (1) Replacing the \$2,000,000 appropriation with an unspecified amount;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2792, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2792, H.D. 2.

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

SCRep. 922-08 Finance on H.B. No. 2076

The purpose of this bill is to protect the public health from radiation and contaminated dust created by the use of depleted uranium (DU) munitions, by directing the Department of Health (DOH) to establish air sampling stations to determine whether, and to what degree, DU contamination is taking place outside military facilities where DU munitions are used.

The Hawaii County Council, Kahea: The Hawaiian-Environmental Alliance, Maui Peace Action, and many concerned individuals supported this bill. The Department of Defense, DOH, and several concerned individuals submitted comments.

Your Committee acknowledges the testimony of DOH which noted that, currently, it is able to carry out limited air sampling that is mandated by the United States Environmental Protection Agency, however, no funds are available to conduct the DU air sampling. DOH estimates it would take an annual appropriation of \$1,640,000 to carry out this mandate.

Your Committee has amended this bill by:

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

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

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 923-08 Finance on H.B. No. 2207

The purpose of this bill is assist the County of Hawaii with earthquake recovery efforts by appropriating \$5,770,710 as matching funds to maximize available federal reimbursements.

The County of Hawaii testified in support of this bill. The Department of Defense offered comments.

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; 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. 2207, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2207, H.D. 1.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 924-08 Finance on H.B. No. 2323

The purpose of this bill is to support and ensure the strength of Hawaii's visitor industry by establishing the Resort Beach Restoration Fund (Restoration Fund) as a sub-account of the existing Beach Restoration Special Fund administered by the Department of Land and Natural Resources (DLNR) to provide for the development and restoration of visitor area resort beaches, including maintenance of any improvements placed on the visitor area resort beach or in nearshore waters, as determined by DLNR.

The Tourism Liaison and several concerned individuals opposed this bill. The Hawaii Tourism Authority (HTA), DLNR, Kyo-ya Hotels and Resorts, LP., Hawaii Hotel and Lodging Association, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Replacing the \$2,000,000 maximum authorized transfer of transient accommodation taxes to the Restoration Fund for the period beginning July 1, 2008, to June 30, 2010, with an unspecified amount;
- (2) Changing the \$1,000,000 appropriation to the Restoration Fund to an unspecified amount;
- (3) Changing the amount HTA is authorized to transfer from the Tourism Special Fund to the Restoration Fund from \$1,000,000 to an unspecified amount;
- (4) Replacing the \$1,000,000 appropriated out of the Restoration Fund for restoration projects with an unspecified amount; 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. 2323, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2323, H.D. 2.

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

SCRep. 925-08 Finance on H.B. No. 2373

The purpose of this bill is to preserve the grounds of the Mookini Heiau by appropriating funds to install a full sprinkler system to cover the grassy area of the Mookini Heiau and the nearby Kamehameha birthsite.

The Department of Land and Natural Resources and Mo'okini Luakani, Inc., provided comments on this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation for the installation of the full sprinkler system 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. 2373, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2373, H.D. 1.

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

SCRep. 926-08 Finance on H.B. No. 1476

The purpose of this bill is to ensure affordable health care insurance coverage for people who do not qualify for employer-provided health insurance or public benefits by requiring the Department of Commerce and Consumer Affairs' (DCCA) Insurance Commissioner to contract with health care plan carriers to provide health care coverage at premium levels that do not exceed 110 percent of the median price of health insurance offered in the state.

This bill also:

- (1) Requires the Insurance Commissioner to transfer administrative and fiscal responsibility for the program to a nonprofit entity; and
- (2) Establishes a special fund to fund the operations of the health insurance purchasing pool.

The State Procurement Office, DCCA, and Hawaii Medical Services Association submitted comments.

Your Committee has amended this bill by:

- (1) Deleting provisions authorizing an exemption from the state procurement code for any contracts the Insurance Commissioner enters into 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 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. 1476, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1476, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 927-08 Finance on H.B. No. 1993

The purpose of this bill is to ensure the provision of continuous, cost-effective care for Hawaii's uninsured residents by appropriating funds to provide direct health care to the uninsured, including primary medical, dental, and behavioral health care, through Hawaii's community health centers.

The Hawaii Primary Care Association, West Hawaii Community Health Center, Kalihi-Palama Health Center, Healthcare Association of Hawaii, Waianae Coast Comprehensive Health Center, National Federation of Filipino American Associations Region XII, Bay Clinic, Inc., Filipino Coalition for Solidarity, Nursing Advocates and Mentors, Inc., Hawaii Chapter-American Physical Therapy Association, Waikiki Health Center, Moloka'i Community Health Center, Ho'ola Lahui Hawaii, Waimanalo Health Center, and many concerned individuals testified in support of this bill. The Department of Health commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation for the provision of direct health care to the uninsured to an unspecified amount;
- (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. 1993, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1993, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 928-08 Finance on H.B. No. 2283

The purpose of this bill is to allow tattoo artists not licensed in this state to practice their art for educational, trade show, or product demonstration purposes only when issued a temporary certificate of registration.

A concerned individual testified in support of this bill. The Department of Health offered comments.

Your Committee has amended this bill by:

- (1) Broadening its scope to allow tattoo artists licensed in Hawaii to obtain temporary certificates of registration for educational, trade show, or product demonstration purposes; and
- (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. 2283, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2283, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 929-08 Finance on H.B. No. 2888

The purpose of this bill is to ensure statewide health care coverage through various methods of delivery by appropriating:

- (1) \$500,000 for the purchase of a mobile medical van, including necessary planning and equipment to provide medical care services to be expended by Kona Community Hospital (KCH);
- (2) \$1 for 24-hour advanced life support ambulance service for the Haiku district on the island of Maui;
- (3) An unspecified amount for 24-hour advanced life support ambulance service for the island of Molokai;

- (4) \$2,500,000 for the Waianae Coast Comprehensive Health Center (WCCHC) for plans, design, and construction of phase II to expand and renovate the Center's facilities;
- (5) \$450,000 for outpatient urgent and extended emergency medical care in West Maui;
- (6) \$10,000,000 to The Queen's Medical Center (QMC) to increase its emergency power generator system to ensure continued operation of its hospital and trauma center in event of a disaster; and
- (7) An unspecified amount for the first year of a three-year family practice residency program based at KCH.

KCH, the Hawaii Government Employees Association, QMC, WCCHC, Molokai Ohana Healthcare, Inc., and numerous concerned individuals supported this bill. The Department of Health opposed this measure.

Your Committee has amended this bill by:

- (1) Replacing all the appropriations set out in this bill with unspecified amounts;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2888, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2888, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 930-08 Finance on H.B. No. 2047

The purpose of this bill is to support low- and moderate- income families by, among other things:

- (1) Clarifying guidelines pertaining to individual development accounts (IDAs);
- (2) Designating the Department of Human Services (DHS) to administer IDAs;
- (3) Allowing IDAs to be used for the purchase of a motor vehicle used for school or work transportation;
- (4) Requiring DHS to determine income limits;
- (5) Designating and allowing DHS to contract with fiduciary organizations;
- (6) Requiring fiduciary organizations to submit an annual report to DHS instead of the Legislature;
- (7) Repealing the cap on state funds that can be used by selected fiduciary organizations for administrative costs; and
- (8) Appropriating \$400,000 in general or federal funds to operate IDAs.

The Legal Aid Society of Hawaii and Aloha United Way testified in support of this bill. DHS commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriations for the operation of IDAs to unspecified amounts to encourage further discussion;
- (2) Changing the effective date of the appropriation provision 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. 2047, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2047, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 931-08 Finance on H.B. No. 2662

The purpose of this bill is to encourage the development of for-sale condominium projects by exempting new, privately financed, multi-family housing condominium developments of 75 units or more per acre on privately-owned lands from certain affordable housing requirements. Specifically, this bill:

- (1) Exempts these developments from the shared appreciation equity program; and

- (2) Reduces the 10-year transfer restriction and occupancy requirements to three years.

The Hawaii Housing Finance and Development Corporation and a concerned individual testified in support of this bill. The City and County of Honolulu Department of Community Services opposed this measure. 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. 2662, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2662, H.D. 2.

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

SCRep. 932-08 Finance on H.B. No. 3058

The purpose of this bill is to meet increased demand for affordable housing in the state by increasing Hawaii Housing Finance and Development Corporation's (HHFDC) revenue bond authority from \$400,000,000 to \$500,000,000.

HHFDC supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3058, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3058, H.D. 1.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 933-08 Finance on H.B. No. 3403

The purpose of this bill is to promote the development of affordable housing through self-help housing programs by establishing a Self-Help Housing Trust Fund to assist with funding technical assistance, land acquisition, and infrastructure costs associated with self-help housing projects in the state.

The Self-Help Housing Corporation of Hawaii, Hawaii Habitat for Humanity, and Kauai Habitat for Humanity supported this bill. The Hawaii Housing Finance and Development Corporation, Department of Budget and Finance, and Hawaii Island Community Development Corporation provided comments.

Your Committee has amended this bill by:

- (1) Removing the appropriation 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. 3403, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3403, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 934-08 Judiciary on H.B. No. 2583

The purpose of this bill is to promote openness in government by:

- (1) Requiring the University of Hawaii (UH) to disclose in open meeting for purposes of public comment, the proposed compensation or change in compensation of administrative positions in the UH System filled by excluded employees; and
- (2) Requiring that the UH Board of Regents, for administrative positions in the UH System filled by excluded employees, to publicly disclose the compensation offered to newly-hired employees and any changes in compensation offered to existing employees under the laws pertaining to public officers and employees excluded from collective bargaining.

The University of Hawaii Professional Assembly supported this bill. The UH System and Office of Information Practices opposed this measure.

While noting the discrepancy in the effective date between H.B. No. 2583, H.D. 2, and its accompanying committee report, your Committee is reporting the bill out without making any amendments, thus leaving the bill effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 935-08 Judiciary 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 is within certain guiding principles; and
- (2) Authorizing the Family Court to issue orders to the Department of Education, DHS, or the Department of Health to ensure adherence to these guiding principles.

Legal Aid Society of Hawaii, Hawaii Youth Services Network, Hawaii Foster Youth Coalition, and numerous individuals testified in support of this bill. DHS supported the intent of the measure. Hawaii Family Forum opposed this measure requesting deletion of the provision requiring contact with birth parents after adoption. The Judiciary offered comments.

Your Committee has amended this bill by:

- (1) Deleting the guiding principle requiring DHS to ensure that a foster child has supervised in-person contact with the child's parents and siblings following adoption;
- (2) Inserting a defective date of 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. 523, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 523, H.D. 2.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 936-08 Consumer Protection & Commerce on H.B. No. 2492

The purpose of this bill is to ensure sufficient disclosures in real estate transactions by:

- (1) Requiring sellers of residential real property to disclose all restrictions or conditions on use relating to the property and contained in a recorded document, including any unrecorded rules or guidelines issued by entities responsible for enforcing the restrictions or conditions; and
- (2) Specifying the types of planned communities for which seller disclosure statements must include the planned community declaration and association documents.

The Hawaii Association of REALTORS testified in support of this bill.

Your Committee has amended this bill by:

- (1) Inserting a provision requiring the minutes of board of directors' meetings for a planned community association to include the recorded vote of each board member present on all motions except motions voted upon in executive session;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2492, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2492, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 937-08 Consumer Protection & Commerce on H.B. No. 937

The purpose of this bill is to ensure the qualifications of electricians by adding educational requirements for individuals applying for electrician licensing examinations.

Several concerned individuals testified in support of this bill. The Plumbing and Mechanical Contractors Association of Hawaii, Plumbers and Fitters Union Local 675, and a concerned individual opposed this measure. The Board of Electricians and Plumbers submitted comments.

Your Committee has amended this bill by clarifying that this bill only applies to the eligibility of applicants for an electrician licensing examination and does not affect:

- (1) The scope of work of licensed electricians and plumbers; or
- (2) The ability of electricians to maintain or renew their licenses.

Technical, nonsubstantive changes 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 H.B. No. 937, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 937, H.D. 3.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 938-08 Finance on H.B. No. 2908

The purpose of this bill is to ensure agency accountability of audit recommendations made by the Office of the Auditor (Auditor) by establishing a mechanism notifying the Legislature regarding audit recommendations that have not been implemented.

Specifically, this bill requires the Auditor to submit an annual report to the Legislature identifying all audit recommendations over one year old that have not been implemented. State agencies that have been notified by the Auditor that they have not implemented a recommendation must submit a report to the Auditor and Legislature explaining why the recommendation has not been implemented and an estimated date of implementation. State agencies that have been audited must also provide reports on their progress in implementing the Auditor's recommendations.

The Auditor 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. 2908 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 939-08 Finance on H.B. No. 2020

The purpose of this bill is to support small businesses in Hawaii by appropriating funds to the Hawaii Small Business Development Center Network to further its mission to create sustainable economic development through counseling, training, and research services to small businesses and entrepreneurs.

The Department of Business, Economic Development, and Tourism 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. 2020, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 940-08 Finance on H.B. No. 2134

The purpose of this bill is to support the activities of the Hawaii State Center for Nursing (Center) in conducting research and implementing strategies to recruit and retain nurses. This bill allows the Center to continue receiving funds by extending by one year the sunset date for the deposit of certain nursing fees into the Center for Nursing Special Fund.

The Queen's Medical Center, Hawaii Pacific Health, Healthcare Association of Hawaii, and an individual testified in support of this bill. The University of Hawaii and numerous individuals offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2134, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Nakasone and Ward. (Representative Pine voted no.)

SCRep. 941-08 Finance on H.B. No. 2795

The purpose of this bill is to ensure that the community health care system remains financially viable and stable by establishing appropriate processes, conditions, and requirements for federally-qualified health centers and rural health clinics to receive supplemental Medicaid payments and seek modifications to their scope of services.

The Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, West Hawaii Community Health Center, Inc., Waikiki Health Center, Molokai Ohana Health Care Inc, Kalihi-Palama Health Center, Bay Clinic, Inc., Kokua Kalihi Valley, Hamakua Health Center, Inc., and several concerned individuals supported this bill. The Department of Health and the Department of Human Services 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. 2795, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 942-08 Finance on H.B. No. 2009

The purpose of this bill is to repeal section 353-33, Hawaii Revised Statutes (HRS), which establishes the Correctional Program Revolving Fund (Revolving Fund) for the purpose of offsetting the cost of providing programs for inmates.

The Department of Public Safety supported this bill.

Your Committee finds that the Revolving Fund, which was established to offset the cost of inmate programs through revenues derived from fees charged to committed or detained persons participating in correctional programs, was closed in 1996 due to inactivity. Therefore, to avoid confusion and ensure accurate information, it is necessary to remove this section from HRS.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2009 and recommends that it pass Third Reading.

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

SCRep. 943-08 Finance on H.B. No. 2543

The purpose of this bill is to increase opportunities for safe recreational shooting by appropriating funds to plan, design, and construct a shooting range in West Hawaii on the island of Hawaii.

The County of Hawaii, Hawaii County Council, Hawaii Rifle Association, Hawaii Island Public Shooting Range Working Group, and many concerned individuals testified in support of this bill. The Department of Land and Natural Resources offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2543 and recommends that it pass Third Reading.

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

SCRep. 944-08 Finance on H.B. No. 2588

The purpose of this bill is to ensure that those who have served our country in the armed forces will have greater opportunities to achieve their educational goals by providing resident status to veterans for tuition purposes within the University of Hawaii (UH) system.

UH 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. 2588, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 945-08 Finance on H.B. No. 2664

The purpose of this bill is to clarify the Governor's emergency powers by:

- (1) Establishing that certain provisions of the State's disaster relief laws are operative and supersede the provisions of the Civil Defense and Emergency Act (CDEA) when an emergency arises that is not considered a civil defense emergency;
- (2) Allowing the Governor to exercise powers under CDEA for disasters not caused by an enemy attack, only if tangible and measureable harm or damage has resulted as a consequence of the disaster; and
- (3) Requiring that any of the Governor's emergency powers in effect prior to the effective date of this measure expire when this measure becomes law, unless reauthorized by the Legislature.

The Office of the Governor, Department of Defense, Department of Accounting and General Services, Department of Land and Natural Resources, Department of Agriculture, and Department of Transportation opposed this bill. The Attorney General offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2664 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward. (Representatives Meyer and Pine voted no.)

SCRep. 946-08 Finance on H.B. No. 2685

The purpose of this bill is to ease overcrowding in the state's correctional facilities by authorizing the issuance of general obligation bonds and appropriating funds for the Department of Public Safety (DPS) and Office of Planning of the Department of Business, Economic Development & Tourism (Office of Planning) to plan and design a new minimum-security facility at a site with appropriate access to courts, public transportation, and other support services and plan for additional community-custody beds at Oahu Community Correctional Center.

The Community Alliance on Prisons and several concerned individuals testified in opposition of this bill. The Office of Planning and DPS 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. 2685, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 947-08 Finance on H.B. No. 3367

The purpose of this bill is to ensure proper administration of the Wireless Enhanced 911 Fund (Fund) by requiring the Auditor to conduct a financial and management audit of the Fund.

The 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 H.B. No. 3367, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 948-08 Finance on H.B. No. 2456

The purpose of this bill is to extend certain options available to married persons under state tax laws to the parties in a reciprocal beneficiary relationship. Specifically, this bill excludes from gross income, adjusted gross income, and taxable income, the value of health insurance and other direct or indirect benefits provided by an employer to an employee, in excess of what the employer provides or would provide to single employees, when such benefits are provided to the employee due to the employee's status as a reciprocal beneficiary or a domestic partner.

The Department of Taxation, Hawaii Civil Rights Commission, and Tax Foundation of Hawaii offered comments on this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to January 1, 2020, to encourage further discussion;
- (2) Inserting a provision that if enacted, the amendments made to section 235-7(a), Hawaii Revised Statutes, by this bill shall not be repealed when that section is reenacted on January 1, 2013, by section 3 of Act 166, Session Laws of Hawaii 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. 2456, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2456, H.D. 2.

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

SCRep. 949-08 Finance on H.B. No. 2922

The purpose of this bill is to reduce the fuel tax imposed on diesel oil sold for use in a power-generating facility to a tax rate of one cent per gallon, instead of two cents per gallon.

The Kauai Island Utility Cooperative supported this bill. The Department of Transportation opposed 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 October 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. 2922, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2922, H.D. 1.

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

SCRep. 950-08 Finance on H.B. No. 3406

The purpose of this bill is to improve, develop, and modernize the State's commercial harbors by:

- (1) Establishing the Harbors Modernization Group (Group) as a subgroup of the Aloha Tower Development Corporation's (ATDC) Board of Directors to implement specific harbor projects that constitute the Commercial Harbors Modernization Plan;
- (2) Authorizing the Department of Transportation (DOT) to issue revenue bonds, and appropriating bond funds to finance these harbor improvements;
- (3) Extending the term for the disposition of public lands for maritime and maritime-related operations from 35 years to 70 years; and
- (4) Repealing the Group on June 30, 2016.

DOT, ATDC, The Chamber of Commerce of Hawaii, Hawaii Harbor Users Group, and Retail Merchants of Hawaii testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu offered comments.

Your Committee has amended this bill by:

- (1) Deleting the appropriations and inserting a defective date of 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. 3406, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3406, H.D. 1.

Signed by all members of the Committee except Representatives Magaoay, Manahan and Nakasone.

SCRep. 951-08 Finance on H.B. No. 1890

The purpose of this bill is to appropriate funds for health care and other services for people living with the human immunodeficiency virus or acquired immunodeficiency syndrome.

Gregory House Programs, The Gay and Lesbian Education and Advocacy Foundation, Life Foundation, Bill's Place, West Oahu Hope For A Cure Foundation, Clint Spencer Clinic, PWA Coalition Hawaii, Inc., and many concerned individuals testified in support of this bill. The Department of Health opposed this measure.

Your Committee has amended this bill by:

- (1) Updating the fiscal year of the appropriation to 2008-2009;
- (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. 1890, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1890, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Nakasone and Ward.

SCRep. 952-08 Finance on H.B. No. 2727

The purpose of this bill is to provide children diagnosed with autism spectrum disorders with access to appropriate medical care and treatment by requiring health insurers to provide coverage for autism spectrum disorders.

Autism Speaks, Hawaii Disability Rights Center, Autism Society of Hawaii, and numerous concerned individuals supported this bill. The Healthcare Association of Hawaii opposed this measure. The Department of Health opposed this measure. The Department of Commerce

and Consumer Affairs, State Council on Developmental Disabilities, Hawaii Medical Association, Kaiser Permanente Hawaii, Hawaii Association of Health Plans, and the Hawaii Medical Service Association 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 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. 2727, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2727, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward.

SCRep. 953-08 Finance on H.B. No. 2306

The purpose of this bill is to continue to ensure the provision of high-quality, low-cost health care services to members of the uniformed services and their families in Hawaii by clarifying that amounts received by a managed care support contractor of the TRICARE program as reimbursements of costs or advances made by the contractor are exempt from the Hawaii general excise tax.

TriWest Healthcare Alliance Inc. and Hawaii Medical Service Association testified in support of this bill. The Department of Taxation and Hawaii Tax Foundation 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. 2306, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2306, H.D. 2.

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

SCRep. 954-08 Finance on H.B. No. 2605

The purpose of this bill is to recognize the dedication and service of members of Hawaii's National Guard and Reserve forces by exempting them from payment of the vehicle tax and registration fee on their noncommercial vehicles.

The Department of Defense, Department of Taxation, Hawaii National Guard Association, Hawaii National Guard Enlisted Association, Military Affairs Council, and a concerned individual supported this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2605, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2605, H.D. 2.

Signed by all members of the Committee except Representatives Har, Manahan and Nakasone.

SCRep. 955-08 Finance on H.B. No. 2763

The purpose of this bill is to identify and develop programs and support services for children of incarcerated parents, as well as programs to strengthen the bond between the families by directing the Department of Public Safety (DPS) and the Department of Human Services (DHS) to re-establish the Children of Incarcerated Parents Task Force (Task Force).

The Office of Hawaiian Affairs, Community Alliance on Prisons, Hawaii Youth Services Network, and a concerned individual supported this bill. DHS, the Office of Youth Services, and DPS submitted comments.

Your Committee has amended this bill by:

- (1) Extending the life of the Task Force to December 31, 2011;
- (2) Replacing the appropriation of \$25,000 with an unspecified amount;

- (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 H.B. No. 2763, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2763, H.D. 1.

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

SCRep. 956-08 Finance on H.B. No. 2857

The purpose of this bill is to provide a one-time nonrefundable tax credit to assist the victims of the December 2007 flood and wind storm in upcountry Maui and other affected areas of the 12th Representative District.

The Department of Defense, Department of Taxation, Department of Hawaiian Home Lands, and Tax Foundation of Hawaii 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. 2857, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2857, H.D. 2.

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

SCRep. 957-08 Consumer Protection & Commerce on H.B. No. 2550

The purpose of this bill is to increase participation in the net energy metering program by requiring the Public Utilities Commission (PUC) to ensure that a percentage of the total rated generating capacity produced by eligible net energy metering customer-generators is reserved for energy produced by residential or small commercial customer-generators.

This bill also authorizes PUC to determine the maximum capacity for eligible residential or small commercial customer-generators.

The Consumer Advocate, PUC, Office of Hawaiian Affairs, Kauai Island Utility Cooperative, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. Sierra Club-Hawaii Chapter, Hawaii Solar Energy Association, and Hawaii Renewable Energy Alliance supported the intent of this measure. SunEdison Hawaii, The Vote Solar Initiative, Solar Alliance, and Hawaii PV Coalition submitted comments.

Net energy metering programs help reduce dependence on imported fossil fuels by encouraging electric utility customers to invest in renewable energy systems that allow the customer to be paid the utility's retail rate for excess electricity generated by an eligible customer-generator and fed back to the electric grid.

Your Committee has amended this bill by replacing its entire contents with most of the provisions from the original draft of this bill. As amended, this bill among other things:

- (1) Provides that eligible customer-generators include customers who purchase electricity from or lease qualifying renewable energy generating facilities;
- (2) Prohibits electric utilities from unreasonably denying, burdening, or delaying net energy metering services requested by eligible customer-generators;
- (3) Increases in annual increments:
 - (A) The maximum kilowatt capacity of eligible customer-generators, from 250 kilowatts in 2008 to one megawatt after 2009, unless a greater capacity is authorized by PUC; and
 - (B) The total rated generating capacity produced by eligible customer-generators as a percentage of an electric utility's system peak demand, from one percent in 2008 to five percent in 2010, unless modified by PUC, including adding more eligible customer-generators with more than ten-kilowatt capacity in service areas where the maximum percentage is reached;
- (4) Requires electric utilities to give a contracting preference to eligible customer-generators with capacities of ten or less kilowatts;
- (5) Clarifies that the credits for purposes of the twelve-month reconciliation period are units of kilowatt hours;
- (6) Requires PUC to adopt rules that incorporate best practices interconnection standards for qualifying renewable energy generating facilities; and

- (7) Takes effect on June 1, 2025.

Your Committee finds that this bill as amended supports the use of renewable energy resources by expanding opportunities for net energy metering.

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. 2550, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2550, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 958-08 Finance on H.B. No. 2862

The purpose of this bill is to encourage the timely development of renewable alternative resources for the state by establishing a coordinated and streamlined permitting process for the development of a wind energy project that uses undersea cables to transmit electricity.

The Department of Health and UPC Hawaii Wind supported this bill. Hawaii Renewable Energy Alliance, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Castle & Cooke Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount for the establishment of a permanent renewable energy facilitator position within the Department of Business, Economic Development, and Tourism to an unspecified amount; 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. 2862, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2862, H.D. 2.

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

SCRep. 959-08 Finance on H.B. No. 3410

The purpose of this bill is to provide various market stimulation incentives for the development of biodiesel by:

- (1) Making available for lease state agricultural lands for biodiesel fuel crops;
- (2) Establishing a biodiesel preference for fuel for the state fleet;
- (3) Establishing a state biodiesel feedstock crop and biodiesel fuel purchasing program; and
- (4) Creating an income tax exemption for the income derived from the operation of an oil seed crushing facility.

Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Department of Agriculture, Department of Land and Natural Resources, Department of Taxation, Tax Foundation of Hawaii, and Imperium Renewables Hawaii LLC provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 3410, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3410, H.D. 2.

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

SCRep. 960-08 Finance on H.B. No. 3444

The purpose of this bill is to maintain adequate financial resources for state renewable energy programs to supplant waning federal funding by, among other things:

- (1) Establishing an Energy Security Special Fund to fund Department of Business, Economic Development, and Tourism (DBEDT) energy programs that carry out the State's long-term energy strategy;
- (2) Expanding the Environmental Response Tax to also fund energy security programs;

- (3) Renaming the Environmental Response Tax to the Environmental Response and Energy Security Tax; and
- (4) Increasing the amount of the Environmental Response and Energy Security Tax from 5 cents to 20 cents per barrel.

The Sierra Club, Hawaii Chapter, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, and a concerned individual supported this bill. The Department of Health opposed this bill. DBEDT, Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the amount of the Environmental Response and Energy Security Tax to an unspecified amount;
- (2) Changing the amounts of the Environmental Response and Energy Security Tax to be distributed to the Environmental Response Revolving Fund, Energy Security Special Fund, and the Energy Systems Development Special Fund, to unspecified amounts;
- (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 H.B. No. 3444, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3444, H.D. 2.

Signed by all members of the Committee except Representatives Har and Nakasone. (Representatives Brower and Pine voted no.)

SCRep. 961-08 Finance on H.B. No. 2137

The purpose of this bill is to offset the financial burden that organ donors may encounter by providing a one-time tax credit of up to \$1,000 to help cover expenses related to organ donation.

The Hawaii Coalition on Donation, Organ Donor Center of Hawaii, and an individual testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Deleting the tax credit amounts per taxpayer as well as for all taxpayers;
- (2) Inserting a defective date of July 1, 2020, to encourage further discussion;
- (3) Imposing an adjustable gross income cap of less than \$50,000 per taxpayer or less than \$100,000 in the case of a joint return to qualify for this tax credit; and
- (4) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2137, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2137, H.D. 2.

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

SCRep. 962-08 Finance on H.B. No. 2757

The purpose of this bill is to ensure the continuation and strength of Hawaii's health care safety net by:

- (1) Establishing a hospital capital loan program under the Department of Health (DOH); and
- (2) Specifying that the first loan provided by DOH shall be to a private hospital in the state that annually serves a patient population of 60 percent or more of uninsured, Medicaid, and Medicare patients.

The Representative of the 42nd District, Hawaii Building and Construction Trades Council, AFL-CIO, and Hawaii Medical Center testified in support of this bill. DOH testified in opposition to this measure. The Department of Budget and Finance commented on this bill.

Your Committee has amended this bill by deleting its contents and replacing it with language that:

- (1) Authorizes the issuance of special purpose revenue bonds (SPRBs) in a total amount not to exceed \$40,000,000, for the purpose of assisting Hawaii Medical Center; and
- (2) Repeals the authorization to issue the SPRBs on June 30, 2020.

Other technical, nonsubstantive amendments were 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. 2757, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2757, H.D. 2.

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

SCRep. 963-08 Finance on H.B. No. 2759

The purpose of this bill is to ensure the strength of Hawaii's health care safety net by providing that the general excise tax (GET) does not apply to nonprofit and for-profit hospitals that provide services to an annual patient population consisting of 60 percent or more uninsured, Medicaid and Medicare patients.

The Representative from the 42nd District and Hawaii Medical Center supported this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Providing a GET exemption for gross income received from Medicaid or Medicare by a for-profit hospital group that provides services to an annual patient population consisting of 60 percent or more uninsured, medicaid, and medicare patients;
- (2) Ensuring that the GET exemption provided under this bill will only last six years by inserting a sunset date of June 1, 2014;
- (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 H.B. No. 2759, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2759, H.D. 2.

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

SCRep. 964-08 Finance on H.B. No. 3146

The purpose of this bill is to make an emergency appropriation of \$10,300,000 from general funds to the Department of Health (DOH) for fiscal year 2007-2008 for:

- (1) Ongoing services provided by DOH's Adult Mental Health Division (AMHD); and
- (2) Establishing a three-year psychiatric health services pilot project within AMHD.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, 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 to fund the continuation of services provided by the AMHD.

DOH, Hawaii Primary Care Association, Hawaii Psychiatric Medical Association, CARE Hawaii, Inc., Hawaii Substance Abuse Coalition, National Alliance on Mental Illness Hawaii, and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision establishing a three-year psychiatric health services pilot project within DOH's adult mental health division;
- (2) Changing the amount appropriated from \$10,300,000 to \$9,065,000; 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. 3146, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3146, H.D. 2.

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

SCRep. 965-08 Finance on H.B. No. 2051

The purpose of this bill is to provide educational stability for foster children by:

- (1) Establishing guidelines for school placement that are in the best interests of the child;

- (2) Ensuring that foster children receive services comparable to those provided to children who reside in the school district, including transportation services; and
- (3) Appropriating funds to provide transportation services for foster children.

The Department of Education, Legal Aid Society of Hawaii, and the Hawaii Foster Parent Association supported this bill. The Department of Human Services and Judiciary submitted comments.

Your Committee has amended this measure by:

- (1) Specifying that parents and/or legal guardians be consulted when making decisions on where a foster child is to be enrolled for school;
- (2) In lieu of specifying that the Family Court be consulted when making decisions on where a foster child is to be enrolled for school, establishing that, if necessary, the Family Court, where it has jurisdiction, has the authority to make the final decision on this matter;
- (3) Including children who are under the jurisdiction of the Family Court and temporarily or permanently placed outside of the home, within the scope of this bill;
- (4) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committee notes that the Committee on Judiciary must re-examine 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. 2051, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2051, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Karamatsu, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 966-08 Finance on H.B. No. 2816

The purpose of this bill is to require that:

- (1) Clean and sober homes be licensed by the Department of Health (DOH);
- (2) DOH, among other things, establish standard operating procedures; and
- (3) Operators of clean and sober homes conduct at least one public information meeting at a Neighborhood Board meeting in the area in which the home will be located.

Many concerned individuals testified in support of this bill. DOH 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. 2816, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2816, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Nakasone and Ward.

SCRep. 967-08 Finance on H.B. No. 3399

The purpose of this bill is to exempt from child care licensing laws two persons living in the same household who can each care for up to two children unrelated to the caregiver.

The Department of Human Services supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3399, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3399, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Nakasone and Ward.

SCRep. 968-08 Finance on H.B. No. 584

The purpose of this bill is to provide incentives for workforce development in the high technology industry by establishing the High Technology Cooperative Education Tax Credit.

Your Committee distributed a proposed H.B. No. 584, H.D. 2, prior to the public hearing on this measure and requested that testimony be submitted on the proposed H.B. No. 584, H.D. 2.

The National Association of Insurance and Financial Advisors Hawaii, American Council of Life Insurers, and a concerned individual supported this proposed draft. The Department of Taxation, University of Hawaii Public Policy Center, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of the proposed H.B. No. 584, H.D. 2, with additional revisions. As amended, this bill establishes a long-term care tax credit for certain individuals and married couples in an amount equal to the lesser of the following amounts:

- (1) \$2,500; or
- (2) Fifty percent of the costs of any long-term care insurance premium payments made by the individual or the married couple filing jointly.

This bill was also amended by changing the effective date to January 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 584, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 584, H.D. 2.

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

SCRep. 969-08 Finance on H.B. No. 2778

The purpose of this bill, as received by your Committee, was to determine the social and economic impacts derived from state tax credits provided by the Legislature, if any, by requiring the Department of Business, Economic Development, and Tourism (DBEDT) to conduct a comprehensive study on these tax credits.

However, prior to the hearing, your Committee deleted the contents of H.B. No. 2778, H.D. 1, and drafted and circulated a proposed House draft 2 for consideration. Proposed H.B. 2778, H.D. 2 was placed on the calendar for a hearing and testimony was received on this measure. As drafted, the purpose of proposed H.B. 2778, H.D. 2 is to ensure the critical provision of long-term care needs facing Hawaii's senior and adult disabled population by providing businesses employing less than 100 full-time or part-time employees who purchase long-term care insurance for their employees with a tax credit that is equal to either \$500 per employee or 50 percent of the premium for long-term care insurance, whichever is less.

The National Association of Insurance and Financial Advisors Hawaii and American Council of Life Insurers testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by adopting the language contained in the proposed H.B. No. 2778, H.D. 2, and has further amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2778, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2778, H.D. 2.

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

SCRep. 970-08 Finance on H.B. No. 2248

The purpose of this bill is to recognize a reciprocal insurer and its attorney-in-fact as a single entity that qualifies for the general excise tax exemption for insurers.

The Department of Commerce and Consumer Affairs and Medical Insurance Exchange of California testified in support of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Clarifying that each attorney-in-fact of a reciprocal insurer is exempt from general excise taxes on income or gross receipts derived from its principal business as attorney-in-fact;
- (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. 2248, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2248, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward.

SCRep. 971-08 Finance on H.B. No. 2326

The purpose of this bill is to protect homeowners who face property foreclosures, liens, or encumbrances (distressed property) by, among other things:

- (1) Requiring contracts for distressed property consultation services or conveyances to be in writing with minimum disclosures and a homeowner's right of cancellation;
- (2) Establishing requirements for distressed property leases;
- (3) Prohibiting certain acts by distressed property consultants and purchasers;
- (4) Limiting the amount a distressed property purchaser can charge for a homeowner to repurchase the distressed property in a distressed property conveyance contract; and
- (5) Establishing a minimum amount of consideration to be paid to the homeowner in a distressed property conveyance contract.

The Department of Commerce and Consumer Affairs, Legal Aid Society of Hawaii, and Hawaii Association of REALTORS 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. 2326, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2326, H.D. 2.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 972-08 Finance on H.B. No. 3213

The purpose of this bill is to close a loophole in Hawaii's air pollution control law by removing the cap on fees for air pollution emissions.

The Sierra Club - Hawaii Chapter supported this bill. The Department of Health 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. 3213 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Manahan, Nakasone and Tokioka.

SCRep. 973-08 Finance on H.B. No. 1979

The purpose of this bill is to provide fairness in the process of collecting moneys owed to the State or county by a state officer, agent, or employee by establishing a two-year statute of limitations for the recovery of overpayment of state salaries.

The Hawaii State Teachers Association, Hawaii Government Employees Association, and a concerned individual testified in support of this bill. The Department of Accounting and General Services provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1979, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 974-08 Finance on H.B. No. 2481

The purpose of this bill is to ensure the continuous provision of health benefits for teachers belonging to bargaining unit 5, as well as future retirees of that bargaining unit, and existing retirees who participate in the Voluntary Employees' Beneficiary Association (VEBA) Trust by:

- (1) Providing any retiree who, prior to July 1, 2008, declined the option to transfer from participation in the Hawaii Employer-union Health Benefits Trust Fund (EUTF) to VEBA, a final one-time option to transfer participation; and
- (2) Making VEBA a permanent program through the repeal of its sunset date of July 1, 2009.

The Hawaii State Teachers Association (HSTA), HSTA – Retired Oahu District, and numerous concerned individuals supported this bill. The Department of Budget and Finance, Department of Labor and Industrial Relations, Department of Human Resources Development, and Administrator of EUTF opposed this measure. The HSTA Member Benefits Corporation and several concerned individuals 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. 2481, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 975-08 Finance on H.B. No. 2929

The purpose of this bill is to bring impartiality to the independent medical examination (IME) process in the workers' compensation system by, among other things:

- (1) Requiring that mutually agreed upon physicians be used to conduct IMEs; and
- (2) Establishing a process for the appointment of a physician to conduct an IME if the parties cannot mutually agree on a physician to conduct the IME.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, ILWU Local 142, Hawaii Chapter – American Physical Therapy Association, Hawaii Injured Workers Alliance, Vocational Management Consultants, and numerous concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, General Contractors Association of Hawaii, Hawaii Medical Association, American Insurance Association, Hawaii Insurers Council, Building Industry Association of Hawaii, and HSI Mechanical, Inc., opposed this measure. The Chamber of Commerce of Hawaii and Hawaii State Chiropractic Association 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. 2929, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 976-08 Finance on H.B. No. 2964

The purpose of this bill is to support workforce and economic development by allocating Reed Act fund monies out of the Unemployment Trust Fund to:

- (1) The four county workforce investment boards to improve employer outreach and services, labor force pool expansion, and capacity building, and to fund some shared costs for the operations of the one-stop career centers within each county; and
- (2) The Department of Labor and Industrial Relations (DLIR) to be used by the Workforce Development Council to fund positions to identify additional funds and resources to support statewide workforce and economic development activities.

The Workforce Development Council of DLIR, County of Hawaii, Office of Housing and Community Development of the County of Hawaii, Office of Economic Development of the County of Kauai, Hawaii County Economic Opportunity Council, Kauai Workforce Investment Board, Kanoelehua Industrial Area Association, Inc., Hawaii Island Workforce & Economic Development Ohana, and many concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2964, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 977-08 Finance on H.B. No. 3029

The purpose of this bill is to further clarify requirements for the payment of prevailing wages on public works projects by including, as a public work, construction contracts between private persons using state or county land for commercial, profit-making activity.

The Hawaii Carpenters Union supported this bill. The Department of Land and Natural Resources, Department of Labor and Industrial Relations, and Department of Accounting and General Services opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3029, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 978-08 Finance on H.B. No. 3030

The purpose of this bill is to clarify the type of circumstances that allows the Governor, by executive order, to suspend the statutes relating to prevailing wages and hours on public works projects.

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. 3030 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward.

SCRep. 979-08 Finance on H.B. No. 3168

The purpose of this bill is to increase efficiency in the administration of the unemployment insurance law by allowing changes in unemployment tax rates due to total and partial transfers of experience rating to be calculated at the same time, instead of at different times during the year.

The Department of Labor and Industrial Relations 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. 3168 and recommends that it pass Third Reading.

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

SCRep. 980-08 Finance on H.B. No. 2672

The purpose of this bill is to repeal the cap on the allowable balance in the State Parking Revolving Fund.

The Department of Accounting and General Services supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2672, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2672, H.D. 2.

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

SCRep. 981-08 Judiciary on H.B. No. 3107

The purpose of this bill is to protect Hawaii's real estate consumers by:

- (1) Requiring sellers to disclose whether a building or structure was built or improved under an owner-builder permit;
- (2) Clarifying that owner-builders must use licensed subcontractors; and
- (3) Establishing penalties for owner-builders who fail to comply with the owner-builder permit requirements.

The Contractors License Board and Subcontractors Association of Hawaii supported this bill. The Hawaii Association of Realtors and Building Industry Association – Hawaii supported the intent of this measure. The General Contractors Association of Hawaii and several concerned individuals submitted comments.

Your Committee is in agreement with the main purpose of this measure, which is to require sellers of real estate to disclose to potential buyers if the seller has benefited from owner-builder status pursuant to section 444-2(7), Hawaii Revised Statutes (HRS). However, your Committee notes that the language in H.D. 1 of this bill effectively changes the scope of that exemption, and the resulting disclosure requirements, to include, in addition to all construction and structural improvements, all alterations, improvements, and repairs made to the property. The consequence of this broadening of the language is that a person who has performed even some relatively minor non-structural

alterations, repairs, or changes to their home, including those for the purpose of selling the home within a one-year period, would potentially subject the owner-builder to the severe sanctions imposed by section 444-23, HRS, as specified in the original section 3 of this measure.

After receiving a thorough presentation of oral testimony by the Contractors License Board that the owner-builder exemption under section 444-2(7), HRS, is intended only to apply to building a structure or making improvements that affect the structure of a building, and with prior concurrence from your Committee on Consumer Protection and Commerce, your Committee has amended this measure by:

- (1) Clarifying that the exemption provided under section 444-2(7), HRS, for owners or lessees of a building who "improve" a building, pertains to structural improvements that would require a building permit from the appropriate county agency;
- (2) Requiring an owner-builder to disclose to a potential purchaser that building or structural improvements were made under an owner-builder exemption;
- (3) Revising the language for the form used by the county to apprise an owner-builder of possible restrictions in the resale of a property, and sanctions for violations thereof, to reflect that the owner-builder status only applies to building and structural improvements;
- (4) Changing the effective date to January 1, 2012, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3107, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3107, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 982-08 Judiciary on H.B. No. 2139

The purpose of this bill is to revise and update the process for organ donations for transplantation.

Specifically, this measure:

- (1) Directs the process for making anatomical gifts of a deceased person's body or parts for transplantation, therapy, research, or education;
- (2) Stipulates the manner by which such gifts can be made;
- (3) Establishes a priority list of persons who are reasonably available, who may make an anatomical gift of a deceased person's body or part;
- (4) Limits the liability of persons who act in good faith in making the decision that a deceased person meant to make an anatomical gift; and
- (5) Prohibits falsification of records or fraudulent actions by a person trying to make a profit from anatomical gifts.

The Commission to Promote Uniform Legislation, Kokua Mau, National Kidney Foundation of Hawaii, Organ Donor Center of Hawaii, Minority Organ Tissue Transplant Education Program, and two concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Adding a reciprocal beneficiary along with a surviving spouse for equal priority purposes in the making of a decision concerning an anatomical gift of a decedent's body or part, in the event that no specific gift or refusal to make a gift was made during the life of the deceased person;
- (2) Clarifying that a minor who is legally married is deemed emancipated;
- (3) Clarifying that any person commits a Class C felony for knowingly purchasing or selling a part intended for donation as an anatomical gift, and that it is also a Class C felony for intentionally falsifying or forging a document relating to an anatomical gift;
- (4) Establishing procedures for events in which there is a conflict between an advance health care directive and the measures necessary to maintain the suitability of a part for transplantation or therapy;
- (5) Requiring the medical examiner or coroner to make "reasonable" efforts, rather than "every" effort, to attend a removal procedure in a case relating to possible interference with post mortem examination;
- (6) Ensuring that funds currently in the existing Organ and Tissue Education Special Fund will be transferred to the new Hawaii Organ and Tissue Education Special Fund created by section 327-X; 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2139, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2139, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson, Pine and Thielen.

SCRep. 983-08 Judiciary on H.B. No. 2589

The purpose of this bill is to deter crimes relating to scrap metal by requiring scrap dealers to:

- (1) Pay for scrap only by check;
- (2) If the scrap being sold is copper, issue and mail the check to the seller no sooner than five days after the purchase; and
- (3) Retain canceled checks for two years and make the checks available for inspection.

The Honolulu Police Department, Schnitzer Steel Hawaii Corp., and Okuda Metal, Inc., supported this bill and suggested amendments. Reynolds Recycling opposed the measure in its present form.

Your Committee has amended this bill by applying the requirement to purchase scrap only by check payment to copper scrap.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2589, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2589, H.D. 2.

Signed by all members of the Committee except Representatives Ito, McKelvey, B. Oshiro, Sonson and Pine.

SCRep. 984-08 Judiciary on H.B. No. 2596

The purpose of this bill is to protect children in households where drugs are being used by requiring:

- (1) The Department of Human Services (DHS) to conduct an investigation within 24 hours of receiving a report of alleged drug use in the home of a child;
- (2) A parent, legal guardian, cohabitant, or caregiver to be free of drug use for at least 60 days prior to being allowed visitation rights with a child;
- (3) Substance abuse treatment for at least one year prior to a parent or legal guardian being awarded full custody of a child, or before a cohabitant or caregiver is allowed to supervise a child alone; and
- (4) DHS to submit a report to the Legislature on its efforts to prevent children from being injured or exposed to unreasonable risk or neglect by parents, guardians, or caregivers who test positive for illegal drug use.

The Hawaii Foster Youth Coalition and a concerned individual opposed this bill. DHS did not support this measure. The Judiciary and Department of Health provided comments.

Illegal drug use by parents and other caregivers or cohabitants in a child's home is a serious issue in Hawaii. Your Committee received important and compelling testimony from former foster children on this measure who stated that any denial of visitation would result in serious psychological harm to a child, even if the parent had previously engaged in or continued to engage in the use of illegal substances.

Accordingly, your Committee has amended this bill by, among other things:

- (1) Deleting the provision that would have prohibited visitation for a minimum of 60 days;
- (2) Inserting an unspecified time period prior to investigation by DHS during which a positive test for illegal drug use would trigger a police investigation and possible restraining order;
- (3) Inserting as Part II provisions from H.B. No. 3136 that require DHS to establish a supervised system of safe homes in which a child is allowed to live with a caregiver, upon meeting certain conditions; and
- (4) Changing the effective date to January 1, 2112, to encourage further discussion.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

Your Committee encourages discussion and input with regard to the time period prior to the DHS investigation in which a positive drug test would trigger a police investigation and possible restraining order.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2596, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2596, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Green, McKelvey, Morita, Sonson and Thielen.

SCRep. 985-08 Judiciary on H.B. No. 3379

The purpose of the bill is to repeal, revise and recodify the statutes on abuse of family or household members.

The Department of the Attorney General, Department of the Prosecuting Attorney for the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Honolulu Police Department, County of Maui Police Department, Domestic Violence Action Center, VOICES, and a concerned individual supported this bill. The Hawaii State Coalition Against Domestic Violence supported the intent of this measure. The Office of the Public Defender submitted comments.

Your Committee amended this bill by:

- (1) Deleting references to mandatory sentencing;
- (2) Defining "physical abuse";
- (3) Simplifying the offense of abuse of family or household member in the third degree by making it the intentional subjection of a family or household member to physical abuse;
- (4) Deleting the provision allowing a police officer to order a person to leave a premises based on a belief that there is immediate risk that the person will inflict physical abuse or harm on a family or household member;
- (5) Changing the effective date to July 1, 2112, to encourage further discussion; 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. 3379, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3379, H.D. 2.

Signed by all members of the Committee except Representatives Green, Ito, Luke, McKelvey, Morita, Sonson and Pine.

SCRep. 986-08 Public Safety & Military Affairs on H.B. No. 2675

The purpose of this bill is to ensure qualified patients with written certification for the use of marijuana for medical purposes are able to gain adequate access to their medicine by:

- (1) Increasing the number of marijuana plants allowed for medical use by a patient with written certification to 14 plants; and
- (2) Creating the Medical Marijuana Task Force (Task Force) to discuss the value of constructing secure growing facilities for medical marijuana and study inter-island transport issues related to medical marijuana.

The Representative of the 11th District, Drug Policy Forum of Hawaii, Drug Policy Action Group, West Oahu Hope For A Cure Foundation, and numerous concerned individuals supported this bill. The Department of Public Safety, Honolulu Police Department, County of Hawaii Police Department, County of Maui Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Prosecuting Attorney of the County of Hawaii, Hawaii Medical Association, Sassy/G Magazine, and Save our Society from Drugs opposed this measure. A concerned individual submitted comments.

Your Committee has amended this bill by:

- (1) Deleting provisions that would increase the number of marijuana plants allowed for medical use by a patient with written certification to 14 plants;
- (2) Calling for the Task Force to examine current laws that define an adequate supply of marijuana for medical use by a qualified patient, to determine if there is a need to change this definition;
- (3) Adding representatives from the Department of Transportation and the Department of the Attorney General to the Task Force; 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. 2675, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2675, H.D. 2.

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

SCRep. 987-08 Finance on H.B. No. 2366

The purpose of this bill is to require the Department of Health to establish a statewide organ donor registry in coordination with the Department of Transportation, county motor vehicle agencies, and other stakeholders.

The National Kidney Foundation of Hawaii, Organ Donor Center of Hawaii, and a concerned individual 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. 2366 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 988-08 Finance on H.B. No. 2519

The purpose of this bill is to provide incentives for health care professionals to work in health professional shortage areas (HPSAs) by:

- (1) Establishing the Hawaii Health Corps that will provide loan repayment and stipends for physicians and dentists who agree to work in HPSAs and as first responders during civil defense and other emergencies; and
- (2) Allowing business firms that provide medical and health care services in an enterprise zone to be eligible for tax benefits under the State's Enterprise Zone program if the business is located within an HPSA.

The State Council on Developmental Disabilities, Mayor of the County of Hawaii, Hawaii Primary Care Association, Kaiser Permanente Hawaii, Healthcare Association of Hawaii, and a concerned individual supported this bill. The Department of Taxation, Department of Budget and Finance, Department of Business, Economic Development, and Tourism, University of Hawaii, Department of Health, Hawaii Health Systems Corporation, Board of Medical Examiners, Tax Foundation of Hawaii, and Hawaii Medical 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. 2519, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 989-08 Finance on H.B. No. 2386

The purpose of this bill is to ensure fairness in the claims and dispute process for workers' compensation cases by, among other things:

- (1) Requiring an employer to pay temporary total disability (TTD) benefits without waiting for a decision from the Director of Labor and Industrial Relations (Director) regardless of whether the employer controverts the right to those benefits;
- (2) Specifying that the provision of TTD benefits shall continue until the employee's treating physician determines that the employee is able to resume work and a bona fide offer of suitable work within the employee's medical restrictions has been made;
- (3) Requiring the Director, after conducting a hearing, to indicate whether TTD benefits should have been discontinued, and if so, designate a date after which TTD benefits should have been discontinued;
- (4) Allowing an employer to make a written request to the Director for the issuance of a credit for the amount of TTD benefits paid by the employer after the date which the Director determined TTD benefits should have been discontinued;
- (5) Requiring an employer or insurer to pay for attorney's fees and costs to the employee if the employer or insurer is found to be noncompliant with the TTD law; and
- (6) Entitling an injured employee to receive a weekly benefit amount equal to 70 percent of the injured employee's average weekly wage, or a maximum weekly income benefit based upon the state average weekly wage applicable, under certain conditions.

The Hawaii Chapter – American Physical Therapy Association supported this bill. The Department of Human Resources Development, Department of Labor and Industrial Relations, National Federation of Independent Businesses in Hawaii, Building Industry Association of Hawaii, American Insurance Association, General Contractors Association, Associated Builders and Contractors of Hawaii, Ralph S. Inouye Co., Ltd., The Chamber of Commerce of Hawaii, Property Casualty Insurers Association of America, HSI Mechanical, Inc., SHRM Hawaii, and the Hawaii Insurers Council opposed this measure. ILWU Local 142 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. 2386 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har and Nakasone. (Representatives Meyer and Pine voted no.)

SCRep. 990-08 Finance on H.B. No. 2387

The purpose of this bill is to improve the workers' compensation system by allowing the payment for impartial medical examinations to be made from the Special Compensation Fund.

The Hawaii Government Employees Association and ILWU Local 142 testified in support of this bill. The Department of Human Resources Development, Hawaii Insurers Council, and American Insurance Association opposed this measure. The Department of Labor and Industrial Relations 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. 2387, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward.

SCRep. 991-08 Finance on H.B. No. 2441

The purpose of this bill is to protect students who work for a public employer as a part of the student's school-approved, work-based learning program by making the State the responsible employer for workers' compensation coverage.

The Department of Labor and Industrial Relations, Department of Education, and ILWU Local 142 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. 2441 and recommends that it pass Third Reading.

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

SCRep. 992-08 Finance on H.B. No. 2479

The purpose of this bill is to expand eligibility for vocational rehabilitation to a worker who has otherwise been deemed unable to return to the worker's original position where the employer has made no offer of suitable work that would restore the worker's earnings capacity as nearly as possible to the level that the worker was earning at the time of the work-related injury.

The Department of Human Resources Development and Department of Labor and Industrial Relations opposed this bill. The ILWU Local 142 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. 2479, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 993-08 Finance on H.B. No. 2927

The purpose of this bill is to strengthen enforcement of Hawaii's Public Works Law by requiring the Director of Labor and Industrial Relations to immediately suspend from working on any public works project for three years, any contractor who interferes with or delays an investigation or falsifies payroll records.

The Department of Labor and Industrial Relations, Laborers' Union Local 368, Hawaii Building & Construction Trades Council, AFL-CIO, Pacific Resource Partnership, Building Industry Association of Hawaii, General Contractors Association of Hawaii, Ralph S. Inouye Co., Ltd., and HSI Mechanical, Inc., 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. 2927 and recommends that it pass Third Reading.

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

SCRep. 994-08 Finance on H.B. No. 3163

The purpose of this bill is to improve the operational efficiency of the Department of Labor and Industrial Relations' (DLIR) Disability Compensation Division by:

- (1) Broadening the purposes of DLIR's Special Fund for Disability Benefits (Fund) to include the automation of the workers' compensation, prepaid health care, and temporary disability insurance programs; and
- (2) Appropriating an unspecified amount from the Fund for this purpose.

DLIR 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. 3163, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 995-08 Finance on H.B. No. 2376

The purpose of this bill is to reduce the danger of wildfires throughout the state by:

- (1) Requiring the State Fire Council to develop a comprehensive statewide brushfire mitigation plan; and
- (2) Appropriating \$400,000 to implement a public education program on brushfire prevention and safety.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, and Hawaii Fire Fighters Association testified in support of this bill. The Department of Land and Natural Resources offered comments.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2376, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2376, H.D. 1.

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

SCRep. 996-08 Finance on H.B. No. 1823

The purpose of this bill is to enhance bicycle and pedestrian safety, especially for children, by:

- (1) Establishing in the Department of Transportation (DOT):
 - (A) A Bicycle and Pedestrian Safety Program (Program); and
 - (B) A temporary advisory committee (Committee) to study ways to adopt and implement the Safe Routes to School Program in communities in Hawaii;

and
- (2) Appropriating unspecified amounts of funds for these purposes.

The Hawaii Bicycling League and several concerned individuals testified in support of this bill. DOT and the Department of Transportation Services of the City and County of Honolulu offered comments.

Your Committee has amended this bill by:

- (1) Making the Program and Committee appropriations for fiscal year 2008-2009, rather than fiscal year 2007-2008;
- (2) Changing its effective date from upon approval to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style, including amendments to update the bill since the bill was introduced in the 2007 regular session and carried over to the 2008 regular session.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1823, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1823, H.D. 1.

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

SCRep. 997-08 Finance on H.B. No. 839

The purpose of this bill is to continue to ensure the rights of the public to access the shoreline areas of the State for recreational and cultural purposes by appropriating funds for the surveying and mapping of all existing public access ways to shorelines throughout the State.

The Office of Hawaiian Affairs, Windward Ahupua'a Alliance, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, Surfrider Foundation Maui Chapter, Beach Access Hawaii, Sierra Club Oahu Group, and numerous individuals testified in support of this bill. The Department of Land and Natural Resources and a concerned individual testified in opposition to this measure. KAHEA The Hawaiian-Environmental Alliance and a concerned individual submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Clarifying that the appropriation for the surveying and mapping of public access ways to shorelines is for the 2008-2009 Fiscal Year;
- (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. 839, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 839, H.D. 1.

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

SCRep. 998-08 Finance on H.B. No. 935

The purpose of this bill is to further develop the potential of the aquaculture industry in Hawaii by appropriating \$1 for each of fiscal years 2007-2008 and 2008-2009 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 Hawaii Aquaculture Association, Hawaii Farm Bureau Federation, Aquaculture Planning & Advocacy LLC, Oceanic Institute, Hawaii Science & Technology Council, Aquatic Innovations, Hawaiian Marine Enterprises, Hawaii Oceanic Technology, Inc., and a concerned individual testified in support of this bill. The Department of Agriculture offered comments.

Your Committee has amended this bill by:

- (1) Deleting the reference to \$1 for fiscal year 2007-2008; and
- (2) 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. 935, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 935, H.D. 2.

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

SCRep. 999-08 Finance on H.B. No. 2401

The purpose of this bill is to encourage the development of efficient renewable energy systems in the state by authorizing the issuance of special purpose revenue bonds in an amount not to exceed \$20,000,000 to assist Oceanlinx Hawaii LLC with the planning, design, and construction of the hydrokinetic or ocean wave energy power generation facility off-shore of Maui.

Oceanlinx Hawaii LLC, and Hawaiian Electric Company, Inc., with its subsidiaries Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., supported this bill. The Attorney General 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. 2401, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2401, H.D. 2.

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

SCRep. 1000-08 Finance on H.B. No. 3211

The purpose of this bill is to reduce our dependence on electricity produced by fossil fuels by providing for an alternative to electric clothes dryers. Specifically, this bill provides that no person shall be prevented from installing and using a clothesline to dry clothes on the premises of any single-family residential dwelling or townhouse that the person owns.

The Sierra Club - Hawaii Chapter testified in support of this bill. The Windward Ahupuaa Alliance and a concerned individual offered 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. 3211, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3211, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, M. Oshiro and Sagum.

SCRep. 1001-08 Finance on H.B. No. 2438

The purpose of this bill is to reduce accidental fires relating to cigarette smoking by allowing only reduced ignition propensity cigarettes to be sold in the state.

The State Fire Council, Honolulu Fire Department, Kauai Fire Department, Hawaii Fire Fighters Association, and Coalition for a Tobacco-Free Hawaii testified in support of this bill. The Department of the Attorney General and Cigar Association of America, Inc., offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that for the purposes of the bill, a "cigarette" excludes all rolls for smoking that are wrapped in tobacco; and
- (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. 2438, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2438, H.D. 2.

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

SCRep. 1002-08 Finance on H.B. No. 3152

The purpose of this bill is to appropriate \$1,807,539 in general revenues as an emergency appropriation to pay for costs associated with ambulance service contract collective bargaining increases negotiated by the ambulance services provider for the City and County of Honolulu.

Pursuant to the requirements set forth in Article VII, section 9, of the Hawaii Constitution, the Governor, in Governor's Message No. 241 to the Legislature, requested immediate consideration and passage of this bill, citing an existing critical funding emergency to continue ambulance services on Oahu.

The Department of Health and Emergency Medical Services Division of the City and County of Honolulu testified in support of this bill.

Your Committee has amended this bill by changing the appropriation of \$1,807,539 as follows:

- (1) Appropriating \$507,539 out of general revenues; and
- (2) Appropriating \$1,300,000 out of the Emergency Medical Services Special Fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3152, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3152, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

SCRep. 1003-08 Finance on H.B. No. 2272

The purpose of this bill is to assist programs that employ persons with disabilities by providing that the exemption from the civil service law for county contracts lasting not more than a year and costing not more than \$750,000, shall apply to contracts with qualified community rehabilitation programs regardless of the amount of the contract.

The Arc of Hilo, Arc of Kona and Kona Krafts, and Anuenue Hale, Inc., testified in support of this bill. The Hawaii Government Employees Association opposed this measure. The Department of Human Resources Development and Ka Lima O Maui offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the exemption for qualified community rehabilitation programs applies only to positions or contracts for building custodial and grounds maintenance services;
- (2) Restricting the exemption to positions or contracts that do not exceed \$1,000,000; 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. 2272, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2272, H.D. 2.

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

SCRep. 1004-08 Finance on H.B. No. 2168

The purpose of this bill is to reduce the state's dependence on fossil fuels for energy production and encourage the use of hydrogen as a source of electricity and transportation fuel by authorizing the issuance of special purpose revenue bonds in an amount not to exceed \$50,000,000 to assist H2 Technologies, Inc., to construct on the island of Hawaii:

- (1) A hydrogen generation appliance research, development, and manufacturing facility and laboratory; and
- (2) A gasoline- or diesel-to-hydrogen automobile conversion garage.

The High Technology Development Corporation, Hawaii Island Economic Development Board, H2 Technologies, Inc., Kona Brewing Company, Kikaha Group Inc., and several concerned individuals supported this bill.

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. 2168, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2168, H.D. 1.

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

SCRep. 1005-08 Finance on H.B. No. 2661

The purpose of this bill is to encourage the development of renewable energy resources by authorizing the issuance of special purpose revenue bonds in an amount not to exceed \$38,000,000 to assist Hui Mana 'Oma'o in establishing facilities to convert potential renewable energy resources into electrical energy for consumption by the general public.

The Attorney General 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. 2661, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2661, H.D. 2.

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

SCRep. 1006-08 Finance on H.B. No. 2825

The purpose of this bill is to decrease the state's dependence on fossil fuels for energy production and increase its use of renewable resources by authorizing the issuance of special purpose revenue bonds, not to exceed \$35,000,000, to assist Sopogy, Inc., to plan, build, and operate a solar farm power plant on the island of Oahu.

The High Technology Development Corporation supported this bill. The Attorney General and Sopogy, Inc., provided comments.

Your Committee has amended this bill by:

- (1) Recharacterizing the type of enterprise that the activity and facilities of Sopogy, Inc., falls under, to utilities serving the public in providing electric energy or gas, pursuant to Part VI, Chapter 39A, Hawaii Revised Statutes, instead of an industrial enterprise pursuant to Part V;
- (2) Changing the effective date to July 1, 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. 2825, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2825, H.D. 1.

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

SCRep. 1007-08 Finance on H.B. No. 2518

The purpose of this bill is to encourage the preservation and protection of land in the state by establishing a Land Conservation Incentives Tax Credit to allow taxpayers to deduct:

- (1) 50 percent of the value of the interest in lands donated in perpetuity for conservation purposes to the State or conservation agency; or
- (2) 50 percent of the amount invested in the management of lands for conservation purposes under a land protection agreement,

up to \$2,500,000, from their net income tax liability.

The Nature Conservancy of Hawaii, Maui Land & Pineapple Company, Inc., The Trust for Public Land, Historic Hawaii Foundation, and several concerned individuals supported this bill.

The Department of Land and Natural Resources, Department of Agriculture, Department of Taxation, Office of Hawaiian Affairs, Tax Foundation of Hawaii, and the Environmental Center of the University of Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 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. 2518, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2518, H.D. 1.

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

SCRep. 1008-08 Finance on H.B. No. 3243

The purpose of this bill is to provide much-needed financial support for the Honolulu Symphony by appropriating \$810,000 for fiscal year 2008-2009 for the Symphony's operations, provided that if:

- (1) \$4,000,000 are transferred and deposited into the State of Hawaii Endowment Fund pursuant to Act 97, Session Laws of Hawaii 2006 (Act 97), as amended by Act 156, Session Laws of Hawaii 2007 (Act 156), the appropriation shall be void; and
- (2) More than \$3,190,000 and less than \$4,000,000 are transferred and deposited into the Endowment Fund pursuant to Act 97 as amended by Act 156, the appropriated amount shall be reduced by the amount in excess of \$3,190,000.

The Hawaii Teamsters and Allied Workers Local 996, Hawaii Arts Alliance, and numerous concerned individuals supported this bill. The Department of Accounting and General Services opposed this measure. The State Foundation on Culture and the Arts, Honolulu Symphony, Honolulu Symphony Associates, and several concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provisions that make the appropriation contingent upon the transfer and deposit of funds into the Endowment Fund pursuant to Act 97 as amended by Act 156;
- (2) Changing the appropriation amount to an unspecified amount and 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. 3243, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3243, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward.

SCRep. 1009-08 Finance on H.B. No. 2710

The purpose of this bill is to assist the state and county governments in meeting their workforce needs by allowing the state and county governments to hire retired state or county government employees if the employer abides by certain conditions, including hiring only after an employee has been retired for one calendar year.

The Department of Human Resources Development, Department of Education, Judiciary, County of Hawaii, Department of Human Resources of the County of Hawaii, Department of Personnel Services of the County of Maui, Honolulu Fire Department, Hawaii Council of Mayors, Hawaii State Teachers Association, and Hawaii Government Employees Association testified in support of this bill. The Employees' Retirement System (ERS) and Department of Personnel Services of the County of Kauai offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that the requirement that retired state or county government employees be eligible for rehiring only after one calendar year of retirement applies to positions of at least one-half of a full-time equivalent;
- (2) Specifying that each employer shall contribute to the pension accumulation fund the required percentage of the rehired employee's compensation to amortize ERS' unfunded actuarial accrued liability; 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. 2710, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2710, H.D. 2.

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

SCRep. 1010-08 Finance on H.B. No. 3166

The purpose of this bill is to improve the efficiency and expeditiousness of the workers' compensation system by authorizing the Labor and Industrial Relations Appeals Board (Board) to appoint a hearings officer and set the hearings officer's duties and compensation.

The Department of Labor and Industrial Relations, Board, and ILWU Local 142 testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2008; and
- (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. 3166, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3166, H.D. 2.

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

SCRep. 1011-08 Finance on H.B. No. 2772

The purpose of this bill is to continue efforts to address human trafficking by:

- (1) Modifying the membership of the Hawaii Anti-trafficking Task Force (Task Force);
- (2) Extending the Task Force from June 30, 2008, to June 30, 2010; and
- (3) Appropriating \$10,000 for Task Force expenses.

The Crime Victim Compensation Commission, City and County of Honolulu Department of the Prosecuting Attorney, Domestic Violence Action Center, and Sex Abuse Treatment Center testified in support of this bill.

Your Committee has amended this bill by:

- (1) Removing the appropriation amount to encourage further discussion; and
- (2) Changing the effective date of the appropriation section 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. 2772, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2772, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Hanohano, Har, Nakasone, M. Oshiro, Sagum and Pine.

SCRep. 1012-08 Finance on H.B. No. 1988

The purpose of this bill is to provide strategic direction to Hawaii's macadamia nut industry by establishing the Macadamia Nut Commission to administer and manage the collection of a mandatory assessment on macadamia nut producers and processors to conduct research, planning, and marketing efforts for the industry.

The Department of Agriculture 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. 1988, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1013-08 Finance on H.B. No. 3358

The purpose of this bill is to support Hawaii's high technology sector by preparing the current and future workforce for the challenges of the industry. Specifically, this bill:

- (1) Requires the Department of Business, Economic Development, and Tourism to consult with the High Technology Development Corporation (HTDC) to:
 - (A) Plan for the establishment of a high technology park (Park) on the island of Oahu; and
 - (B) Work with the Department of Land and Natural Resources to identify public or private lands that may be acquired for the Park;

and
- (2) Appropriates funds to build the Park.

HTDC 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. 3358, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1014-08 Finance on H.B. No. 2509

The purpose of this bill is to reduce waste and protect the environment by establishing the Electronic Waste Recycling Act. Among other things, this measure:

- (1) Allows manufacturers to implement their own collection, transportation, and recycling program for computer monitors, televisions, and portable computers (covered electronic devices);
- (2) Directs the Department of Health (DOH) to establish its own program for manufacturers with no programs;
- (3) Creates a labeling and registration system to identify and account for covered electronic devices;
- (4) Prohibits the disposal of covered electronic devices in solid waste disposal facilities beginning January 1, 2010; and
- (5) Establishes the Electronic Device Recycling Fund to collect manufacturer fees, payments, and penalties to run the program.

The City and County of Honolulu Department of Environmental Services, County of Kauai Department of Public Works, Sierra Club, Hawaii Chapter, and Retail Merchants of Hawaii testified in support of this bill. DOH and the Consumer Electronics Association opposed this measure. Tax Foundation of Hawaii, Environmental Center, Verizon Wireless, Covanta Energy Group, AT&T, Philips Electronics, Thomson Inc., and Sony Electronics Inc., 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. 2509 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1015-08 Finance on H.B. No. 2581

The purpose of this bill is to improve accessibility to and availability of adult residential care homes and long-term care facilities in Hawaii by establishing the Home and Community Based Services Care Home and Long-term Care Home Facility Repair and Renovation Loan Guarantee Program (Program) to provide loans to repair or renovate facilities. This bill also:

- (1) Establishes the Home and Community Based Services Care Home and Long-term Care Home Facility Repair and Renovation Loan Guarantee Revolving Fund; and

- (2) Appropriates funds for the Program.

The Hawaii Coalition of Caregivers, Alliance of Residential Care Administrators, The Primary Care Providers of Hawaii, Nursing Advocates & Mentors, Inc., Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Oahu Filipino Community Council, United Filipino Council of Hawaii, and a concerned individual testified in support of this bill. The Department of Human 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. 2581, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1016-08 Finance on H.B. No. 2897

The purpose of this bill is to require the Department of Human Services (DHS) to establish a three-year pilot project to conduct and expand asset-building classes for individuals with disabilities and parents of children with disabilities.

The Hawaii Disability Rights Center and Assistive Technology Resource Centers of Hawaii testified in support of this bill. DHS and the State Council on Developmental Disabilities 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. 2897, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1017-08 Finance on H.B. No. 3352

The purpose of this bill is to require the Auditor to conduct a financial and management audit of the Hawaii Disability Rights Center (HDRC).

Many concerned individuals testified in support of this bill. The State Council on Developmental Disabilities and HDRC opposed this measure. A concerned individual provided comments.

Your Committee notes the existence of a preliminary HDRC report entitled, "Preliminary Observations, Findings and Recommendations: an Investigation of a Report of Neglect and Abuse at Opportunities for the Retarded, Inc."

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3352, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Brower, Har and Nakasone. (Representative Rhoads voted no.)

SCRep. 1018-08 Finance on H.B. No. 1969

The purpose of this bill is to exempt from mandatory workers' compensation coverage services performed by:

- (1) A partner for a partnership;
- (2) A partner with at least a 50 percent transferable interest in a limited liability partnership;
- (3) A member of a limited liability company with at least a 50 percent distributional interest in the company; and
- (4) A sole proprietor for the sole proprietorship.

The Department of Labor and Industrial Relations, Hawaii Business League, National Federation of Independent Business, Risk Solution Partners, LLC, The Chamber of Commerce of Hawaii, and a concerned individual testified in support of this bill. ILWU Local 142 testified in opposition to this measure. The Hawaii Independent Insurance Agents 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. 1969, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1019-08 Finance on H.B. No. 2017

The purpose of this bill is to amend the workers' compensation law to require that a vocational rehabilitation provider first determine if modified or other work suitable for gainful employment with the employee's present employer is available before pursuing employment opportunities with another employer or providing training to obtain employment in another occupational field.

The Department of Labor and Industrial Relations, Hawaii Government Employees Association, and ILWU Local 142 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. 2017 and recommends that it pass Third Reading.

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

SCRep. 1020-08 Finance on H.B. No. 2823

The purpose of this bill is to ensure the continued operation and maintenance of water systems for agricultural and other uses by limiting the liability of owners and operators of dams or reservoirs for personal injury or property damage from:

- (1) Water escaping from the dam or reservoir;
- (2) The failure or partial failure of the dam or reservoir, unless caused by the owner; and
- (3) Allowing the inflow to the dam or reservoir to pass through it and into a natural stream below the reservoir.

This bill also provides:

- (1) Insurance requirements for dam and reservoir owners;
- (2) That owners and operators whose negligence has proximately caused personal injury or property damage resulting from water escaping from the dam or reservoir, or from allowing the inflow to the dam or reservoir to pass through it and into a natural stream below the reservoir, shall not be exempt from liability; and
- (3) Limitations on liability shall not apply to instances of gross negligence; intentional, willful, or wanton acts; or conduct in reckless disregard of public safety.

Kamehameha Schools, Dole Food Company Hawaii, and the Hawaii Farm Bureau Federation testified in support of this bill. The Department of Land and Natural Resources and Office of Hawaiian Affairs testified in opposition to this measure. The Consumer Lawyers of Hawaii commented 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. 2823, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 1021-08 Finance on H.B. No. 2974

The purpose of this bill is to protect an employee's right to organize by:

- (1) Streamlining the process to certify union representation by requiring the Hawaii Labor Relations Board to certify an exclusive representative if a majority of the employees in a unit not currently represented has signed valid authorizations designating a bargaining representative instead of doing so through an election process;
- (2) Establishing a process that facilitates the initial collective bargaining agreements between an employer and a newly certified employee representative; and
- (3) Establishing a process for arriving at a collective bargaining agreement between the employer and the newly certified employee representative if a stalemate develops.

The Hawaii Government Employees Association, ILWU Local 142, and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2008; and
- (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. 2974, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2974, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward. (Representative Meyer voted no.)

SCRep. 1022-08 Finance on H.B. No. 2429

The purpose of this bill is to maximize the use and income of Aloha Stadium by creating the University of Hawaii Stadium Corporation (Stadium Corporation) and transferring the duties of maintenance, operation, management, and improvement of Aloha Stadium from the Stadium Authority to the Stadium Corporation.

The Hawaii Government Employees Association and several concerned individuals testified in support of this bill. The Department of Accounting and General Services opposed this measure. The State Procurement Office, University of Hawaii System, Stadium Authority, and Aloha Stadium offered comments.

Your Committee has amended this bill by:

- (1) Specifying that in addition to appointing other employees, the stadium manager shall contract other persons as may be authorized by the board of directors to administer the Stadium Corporation, and exempting these contract hires from civil service and collective bargaining laws; and
- (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. 2429, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2429, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward. (Representative Meyer voted no.)

SCRep. 1023-08 Finance on H.B. No. 2704

The purpose of this bill is to preserve and protect the historic and cultural resources of Ha'iku Valley on the island of Oahu by establishing the Ha'iku Valley Cultural Preserve Commission (Commission) to oversee policy and management of the Ha'iku Valley Cultural Preserve (Preserve). This bill also authorizes the Office of Planning and the Attorney General to initiate the conveyance of the Preserve in fee simple to the Office of Hawaiian Affairs (OHA) after consultation with the Commission, and appropriates funds for that purpose.

The Koolauapoko Hawaiian Civic Club and several concerned individuals testified in support of this bill. The Department of Hawaiian Home Lands, Department of Land and Natural Resources (DLNR), and OHA provided comments.

Your Committee has amended this bill by:

- (1) Removing the provision authorizing the Commission to carry out the powers and duties of the Board of Land and Natural Resources and Land Use Commission relating to the dispositions and approvals of land in the Preserve;
- (2) Removing the provision authorizing the Commission to carry out the powers and duties of the Island Burial Council and DLNR relating to the proper treatment of burial sites and human skeletal remains found in the Preserve;
- (3) Removing the provision authorizing the Commission to use the DLNR civil natural resources violations system;
- (4) Removing the provision requiring the property to be held in trust as part of the public land trust when the Preserve is conveyed to OHA;
- (5) Removing the provision requiring the management and control of the Preserve to be transferred to the sovereign native Hawaiian entity upon its recognition by the United States and the State when the Preserve is conveyed to OHA;
- (6) Changing the effective date to July 1, 2020, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2704, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2704, H.D. 2.

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

SCRep. 1024-08 Finance on H.B. No. 2388

The purpose of this bill is to protect the health and welfare of injured workers by ensuring the injured employees receive uninterrupted medical care, even when disputes arise over whether treatment should be continued.

The Hawaii Government Employees Association, ILWU Local 142, and Hawaii Chapter-American Physical Therapy Association supported this bill. The Department of Labor and Industrial Relations, Department of Human Resources Development, Building Industry Association of Hawaii, General Contractors Association of Hawaii, Property Casualty Insurers of America, National Federation of Independent Businesses in Hawaii, Hawaii Insurers Council, American Insurance Association, Ralph S. Inouye Co. Ltd., NetEnterprise Inc., Associated Builders and Contractors of Hawaii, and Society for Human Resource Management opposed this measure.

Your Committee has amended this bill by:

- (1) Keeping the current statutory language of the "Effective date of January 1, 1997, and for each succeeding calendar year thereafter" to indicate the start date to note when fees were based on 110 percent of the Medicare fees and to indicate that the Medical Fee Schedule in effect as of January 1 of a particular year will be used throughout that year; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2388, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2388, H.D. 1.

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

SCRep. 1025-08 Finance on H.B. No. 3174

The purpose of this bill is to:

- (1) Allow the Department of Land and Natural Resources (DLNR) to adopt, amend, and repeal rules that are consistent with federal fisheries regulations for the beneficial joint management of fisheries, under certain conditions; and
- (2) Specifically allow the Board of Land and Natural Resources to declare a fishing season, total fishing quota, or individual fishing quotas, or impose the requirements for other mechanisms, to prevent overfishing, consistent with federal fisheries regulations and rules adopted under this bill.

The Office of Hawaiian Affairs opposed this bill. DLNR and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Requiring, rather than allowing, DLNR to adopt, amend, and repeal rules that are consistent with federal fisheries regulations for the beneficial joint management of fisheries, under certain conditions;
- (2) Specifying that the provisions contained in this bill shall not be construed to prohibit any person from exercising native Hawaiian gathering rights or traditional cultural practices;
- (3) Establishing that rules adopted pursuant to this bill shall not be exempt from the Administrative Procedures law; 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. 3174, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3174, H.D. 1.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1026-08 Finance on H.B. No. 7

The purpose of this bill is to increase access to affordable prescription drugs by requiring the Governor, no later than January 1, 2008, to enter into a written agreement that allows Hawaii residents to participate in the I-SaveRx prescription drug program (Program) by July 1, 2008.

ILWU Local 142, Kokua Council, Policy Advisory Board for Elder Affairs, and the Hawaii Alliance for Retired Americans supported this bill. The Department of Human Services and Pharmaceutical Research and Manufacturers of America opposed this measure. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Requiring the Governor to enter into the written agreement no later than January 1, 2009, instead of January 1, 2008, and requiring that the Program be available to Hawaii residents by July 1, 2009, instead of 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. 7, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 7, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Nakasone and Ward.

SCRep. 1027-08 Finance on H.B. No. 12

The purpose of this bill is to protect consumers by requiring pharmaceutical manufacturing companies to disclose to the Board of Pharmacy (Board), 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.

The Hawaii Alliance for Retired Americans and ILWU Local 142 testified in support of this bill. The Pharmaceutical Research and Manufacturers of America testified in opposition to this measure. The Office of Information Practices submitted comments.

Your Committee has amended this bill by;

- (1) Clarifying that the initial disclosure to the Board shall be made prior to December 31, 2009, for the twelve month period ending June 30, 2009;
- (2) Establishing timelines for subsequent annual disclosures by pharmaceutical marketers;
- (3) Clarifying that the initial disclosure of the name and address of the individual responsible for the pharmaceutical manufacturing company's compliance with this new law shall be made before October 1, 2009; 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. 12, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 12, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Har, Nakasone and Ward.

SCRep. 1028-08 Finance on H.B. No. 2504

The purpose of this bill is to encourage safe and efficient energy practices with respect to lighting by:

- (1) Beginning January 1, 2010, prohibiting the sale of general purpose lights containing levels of hazardous substances that would be prohibited under the European Union's RoHS Directive, except for certain linear fluorescent lamps;
- (2) Beginning January 1, 2014, requiring the Department of Health (DOH), in consultation with companies that manufacture the lamps, to determine whether the linear fluorescent lamps should also be prohibited;
- (3) Prohibiting the sale of general purpose lights that do not meet certain energy efficiency standards; and
- (4) Before January 1, 2011, requiring the Director of Health to develop a statewide program for the recycling of all fluorescent lamps.

The Department of Education, Sierra Club, Hawaii Chapter, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company, Inc., supported this bill. DOH opposed this measure. The Department of Business, Economic Development, and Tourism submitted comments.

Your Committee received proposed amendments from the Committee on Judiciary with the concurrence of the Committee on Energy and Environmental Protection.

In light of the proposed amendments, your Committee has amended this measure by:

- (1) Deleting the existing provisions that establish a criminal penalty and a specified range of fines for violations of the energy efficiency standards for general purpose lights;
- (2) In lieu of item (1), specifying that a person, firm, company, association, corporation, or other organization that violates the provisions establishing energy efficiency standards for general purpose lights shall be subject to an unspecified range of fines; provided that fines shall not be levied against an employee who does not have an ownership or management interest in the enterprise; 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. 2504, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2504, H.D. 2.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1029-08 Finance on H.B. No. 2863

The purpose of this bill is to reduce Hawaii's dependence on fossil fuel by establishing an expedited review and approval process for obtaining state and county permits for the siting, development, construction, and operation of renewable energy facilities.

The Department of Business, Economic Development, and Tourism, Castle & Cooke Hawaii, and Imperium Renewables Hawaii, LLC supported this bill. The Department of Planning and Permitting of the City and County of Honolulu, and Sierra Club – Hawaii Chapter opposed

this measure. The Department of Health (DOH), Public Utilities Commission (PUC), and Hawaii Renewable Energy Alliance submitted comments.

Your Committee has amended this bill by:

- (1) Defining "delegated environmental permit (DEP)" as an air or water quality permit subject to issuance by DOH under authority delegated by the U.S. environmental protection agency;
- (2) Excluding a DEP from the definition of a "state permit" thereby removing a DEP from the energy resources coordinator's (Coordinator) consolidated permitting powers;
- (3) Adding a new provision to ensure compliance with federal law which may not allow the transfer of the authority to issue air and water quality permits from DOH to the Coordinator by requiring the Coordinator to establish and implement a system to manage the issuance of DEPs by DOH with the approval of state and county permits for a renewable energy facility;
- (4) Clarifying PUC's authority over a "power purchase agreement" between a renewable energy facility and public utility by requiring that PUC expedite its review of a petition for approval of power purchase agreement and set a deadline for a decision and deleting provisions addressing an expedited process for approval of a "rate agreement" between the renewable energy facility and public utility. By making these amendments, your Committee intends that PUC have discretion over establishing an expedited process for the entire power purchase agreement, including its rate agreement portion; 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. 2863, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2863, H.D. 2.

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

SCRep. 1030-08 Finance on H.B. No. 2256

The purpose of this bill is to specify that it is not an unfair method of competition or an unfair or deceptive act or practice for accident and health or sickness insurers with a market share of less than five percent to enter into agreements that allow the insurer to refuse to issue or renew a policy for a person unless the person contracts for another class of insurance, or an additional policy of the same class of insurance.

The Hawaii Medical Assurance Association testified in support of this bill. The Department of Commerce and Consumer Affairs, Department of the Attorney General, and Hawaii Medical Service Association opposed this measure. State Farm Insurance Companies offered comments.

Your Committee has amended this bill by:

- (1) Requiring the Auditor to perform an analysis of the effects of the provisions contained in this bill and submit a report to the Legislature prior to the convening of the 2010 Regular Session;
- (2) Changing its effective date to July 1, 2008;
- (3) Providing for 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 H.B. No. 2256, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2256, H.D. 2.

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

SCRep. 1031-08 Finance on H.B. No. 1616

The purpose of this bill is to position Hawaii as a continuing leader in commercial aquaculture by appropriating \$75,000 to develop the concept of, and conduct a feasibility study that includes cost estimates for, the establishment of a primary quarantine and laboratory facility for aquatic species used in Hawaii's aquaculture industry.

The Hawaii Aquaculture Association, Paradise Shrimp Farm Corp., Aquatic Innovations, Aquaculture Planning & Advocacy LLC, Rain Garden Ornamentals, and a concerned individual testified in support of this bill. The Department of Agriculture offered comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount and making it for fiscal year 2008-2009, rather than fiscal year 2007-2008; and

- (2) 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. 1616, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1616, H.D. 1.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1032-08 Finance on H.B. No. 3279

The purpose of this bill is to ensure the continuation of the Hawaii United Okinawa Association's (HUOA) mission to promote, preserve, and perpetuate the Okinawan culture, enhance awareness of the Okinawan culture and heritage in Hawaii through education, and provide community services by expanding the scope of a grant to the HUOA to include the purchase of land "relating to" the expansion of the Hawaii Okinawa Center.

HUOA submitted comments.

Your Committee, after hearing testimony from HUOA and being in agreement that this organization provides the people of Hawaii with many beneficial services, has taken into consideration changes to the bill that were requested by HUOA, and also notes that these amendments were reviewed and approved by the Director of Finance. Therefore, your Committee has amended this bill by:

- (1) Clarifying that the grant provided to HUOA is to be for a public purpose, is in the public interest, and is for the public health, safety, and general welfare of the state;
- (2) Changing the expending agency from the Department of Labor and Industrial Relations' Office of Community Services to the Department of Accounting and General Services' State Foundation on Culture and the Arts; 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. 3279, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3279, H.D. 1.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1033-08 Finance on H.B. No. 2520

The purpose of this bill is to improve the ability of employees who need time off from work to care for a family member with a serious health condition by amending Hawaii's temporary disability insurance (TDI) Law to permit an eligible employee to collect up to two weeks of TDI benefit payments to care for a family member with a physical or mental condition that warrants the participation of the employee to provide care during the period of treatment or supervision by a health care provider.

The Policy Advisory Board for Elder Affairs, Hawaii Teamsters and Allied Workers, Local 996, ILWU Local 142, Hawaii Aging Advocates Coalition, National Multiple Sclerosis Society, and several concerned individuals testified in support of this bill. The Department of Labor and Industrial Relations (DLIR), National Federation of Independent Businesses in Hawaii, Society for Human Resource Management – Hawaii Chapter, General Contractors Association of Hawaii, Hawaii Bankers Association, and Building Industry Association of Hawaii opposed this measure. The Kokua Council, Hawaii Government Employees Association, and The Chamber of Commerce of Hawaii offered comments.

Serving as a family caregiver for a family member who needs assistance with their activities of daily living often comes at a price. Many workers providing care for an ill or injured family member are forced to take time off from work, oftentimes taking unpaid leave. This creates a financial burden on the worker attempting to fulfill family obligations and, ultimately, affects the family unit as a whole. Allowing workers who also serve as family caregivers to claim TDI benefits in order to provide this assistance to their ill or injured family member will help ease some of these burdens.

While the intent of this measure is laudable, your Committee recognizes that this is a complex issue and that there remains a number of questions and concerns regarding the provision of TDI benefits for persons other than the ill or injured employee, including increased costs to business, possible conflicts with other statutes such as the Hawaii Family Leave Law, and possible conflicts with federal laws and regulations, including pre-emption by the Employee Retirement Income Security Act, otherwise known as ERISA. However, your Committee notes that although the question of preemption would ultimately need to be decided by the judicial system, the Legislature has taken the position in the past that changes to employment laws such as the TDI law would not be pre-empted by ERISA.

Nevertheless, this measure is a work in progress. As it continues to move through the legislative process, a balanced approach needs to be taken to address the needs and concerns of both employers and employees to tackle a difficult, yet important, issue.

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

- (1) Providing employment and employment benefit protections for an employee who takes leave and uses TDI benefits when the employee's family member suffers a disability;
- (2) Specifying that while more than one employee may claim and receive TDI benefits while caring for a common family member, these benefits may not be claimed concurrently;

- (3) Increasing the duration of TDI benefit payments for the period of disability of an employee's family member from two to four weeks;
- (4) Clarifying that the provision of medical information about a disabled family member to DLIR is necessary for DLIR to ensure compliance with the provisions contained in this measure;
- (5) Clarifying that the duration of benefits for the period of disability of an employee's family member along with any other components of an employer plan or agreement providing TDI benefits should be considered when determining whether that plan or agreement offers benefits at least as favorable as the benefits required under Hawaii's TDI law;
- (6) Reinstating language allowing any amount of "sick leave" in excess of the minimum statutory equivalent as provided under Hawaii's Family Leave Law, as determined by DLIR, to be used for family leave if the benefits fall within the definition of "sick leave" as defined in Hawaii's Family Leave Law; and
- (7) Requiring DLIR, as part of its interim report to the Legislature, to:
 - (A) Identify any inconsistencies between Hawaii's Family Leave Law and Hawaii's TDI Law that may impede the implementation of either law; and
 - (B) Recommend legislation that will remedy these inconsistencies and further the intent of this measure.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2520, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2520, H.D. 3.

Signed by all members of the Committee except Representatives Belatti, Karamatsu and Nakasone.

SCRep. 1034-08 Finance on H.B. No. 396

The purpose of this bill, as received by your Committee, was to assist Hawaii's agricultural industry by requiring procurement contracts for food operations of state correctional facilities, state hospitals and healthcare facilities, and public schools to be awarded to the lowest responsible and responsive bidders, with preference given to the agricultural products raised or grown in Hawaii.

However, prior to the hearing, your Committee deleted the contents of H.B. No. 396, H.D. 1, and drafted and circulated a proposed House draft 2 for consideration. Proposed H.B. 396, H.D. 2 was placed on the calendar for a hearing and testimony was received on this measure. As drafted, the purpose of proposed H.B. 396, H.D. 2 is to ensure better coordination of procurement projects and improve the process to protest awarding of contracts for any project with a total estimated contract value of \$500,000 or more by:

- (1) Requiring the appropriate chief procurement officer to hold a pre-job conference at least 30 days before contract work begins;
- (2) Allowing unselected offerors of professional services and in competitive sealed proposals to ask for a debriefing within three working days after the posting of the contract award; and
- (3) Requiring any subsequent protest to be submitted in writing before the pre-job conference.

The Iron Workers Stabilization Fund testified in support of this bill. The Department of Accounting and General Services testified in opposition to this measure. The State Procurement Office offered comments.

Your Committee has amended this bill by adopting the language contained in the proposed H.B. No. 396, H.D. 2.

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 396, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 396, H.D. 2.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1035-08 Finance on H.B. No. 2961

The purpose of this bill is to evaluate the impact of various high technology tax incentives on Hawaii's economy. This bill, among other things:

- (1) Authorizes the Department of Taxation (DOTAX) to conduct various analyses and evaluations of existing and proposed tax incentives;

- (2) Directs DOTAX to study the economic impacts and effectiveness of the high technology business investment tax credit and the tax credit for research activities; and
- (3) Appropriates funds for this purpose.

DOTAX testified in support of this bill. HiSciTech and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Expanding DOTAX's study to include the impact of the technology infrastructure renovation tax credit as well as the exclusion from taxation of income earned and proceeds derived from stock options from qualified high technology businesses;
- (2) Deleting the appropriation amount and inserting a defective date of 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. 2961, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2961, H.D. 2.

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

SCRep. 1036-08 Finance on H.B. No. 2186

The purpose of this bill is to assist in ensuring that children with disabilities receive an appropriate special education by:

- (1) Extending from 90 days to two years the time allowed for their parents or guardians or the Department of Education (DOE) to request an impartial hearing regarding reimbursement for the costs of a child's unilateral placement in special education; and
- (2) Requiring that rules adopted by DOE pertaining to the impartial hearing provide that any party is entitled to the reimbursement of expert witness and other relevant fees and expenses associated with the hearing.

The State Council on Developmental Disabilities, Autism Society of Hawaii, Autism Speaks, and several concerned individuals supported this bill. The Attorney General and the Hawaii State Teachers Association opposed this bill. DOE and the Community Children's Council Office submitted comments.

Your Committee has amended this measure by:

- (1) Reducing, from two years to one year of a child's unilateral placement in special education, the time allowed for parents or guardians or DOE to request an impartial hearing regarding reimbursement for the costs of a child's placement;
- (2) Specifying that only the prevailing party is entitled to the reimbursement of expert witness and other relevant fees and expenses associated with the hearing;
- (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 H.B. No. 2186, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2186, H.D. 2.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1037-08 Finance on H.B. No. 2973

The purpose of this bill is to help Hawaii's children reach their full potential as individuals and citizens, beginning at birth, by:

- (1) Establishing an early learning system (System) that ensures a spectrum of quality early learning opportunities for children throughout the state, from birth until the time they enter kindergarten;
- (2) Creating and appropriating funds for the Early Learning Council (Council) to develop and administer the System;
- (3) Establishing and appropriating funds for the Keiki First Steps Program which focuses on the coordination, improvement, and expansion of existing programs and services within the System for three- and four-year-old children in the state, with priority to underserved or at-risk children; and

- (4) Statutorily establishing the Pre-Plus Program, the goal of which is to increase the supply of suitable classrooms for early childhood programs statewide, by requiring the Department of Education (DOE) and the Department of Human Services (DHS) to develop suitable Pre-Plus classrooms on DOE campuses statewide, for early childhood education programs.

DOE, the University of Hawaii System, Act 259 Early Learning Educational Task Force, Hawaii Association of Independent Schools, Office of Hawaiian Affairs, Aloha United Way, Hawaii Educational Policy Center, Maui Economic Opportunity, Inc., and several concerned individuals testified in support of this bill. The Office of the Governor opposed this measure. DHS, the Department of Budget and Finance, Office of Information Practices, Early Childhood Task Force, Kamehameha Schools, Center on Disability Studies, Good Beginnings Alliance, many members of the Good Beginnings Alliance, and several concerned individuals offered comments.

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

- (1) Clarifying the purpose language;
- (2) Changing the name of the Keiki First Steps Program to the "Three- and Four-Year-Old Program" (Program), and naming the System, "Keiki First Steps";
- (3) Clarifying that the Council is to administer the System to the extent permissible by law, or administer only state-funded programs and services;
- (4) Amending the definition of "at-risk children" to include children whose family income is no more than 250 percent of the federal poverty level, rather than 200 percent;
- (5) Clarifying that children do not have to be screened to be determined "at-risk" for academic failure;
- (6) Including in the System, home visiting services designed to promote early childhood development and early learning;
- (7) Specifying that the System shall provide sufficient numbers of well-qualified educators and administrators;
- (8) Including, as part of the Council's duties, the coordination of efforts to develop a highly qualified, stable, and diverse workforce, and adding to the list of workforce development initiatives, including:
 - (A) Ensuring that more early childhood educators and administrators, existing or potential, have opportunities to receive early childhood education degrees, including offering higher education scholarships;
 - (B) Providing access to continuing professional development for all educators and administrators; and
 - (C) Establishing a structure for standardized roles across the early learning system and for incentives such as awarding credentials to staff who have reached certain levels of achievement;
- (9) Clarifying that the Council may not directly provide fiscal resources to programs and services in the System, but shall determine the appropriate proportion of state funds that should be distributed;
- (10) Changing the membership and provisions of the Council, including:
 - (A) Removing the representative from the Office of the Governor, adding a representative of non-center-based child care program providers, and specifying that certain members are to be appointed;
 - (B) Allowing the Council to form workgroups and subcommittees, exempt from the laws relating to public agency meetings and records;
 - (C) Subjecting Council meetings to the laws relating to public agency meetings and records;
 - (D) Removing the rulemaking authority from the Council;
 - (E) Reimbursing Council members for expenses necessary for the performance of their duties; and
 - (F) Authorizing an executive director and staff for the Council;
- (11) Specifying that the Program is to be developed by the Council, but administered by DHS;
- (12) Including some of the components of the Program as part of the Council's responsibilities, as certain components apply to the System as a whole and not just to programs and services for three- and four-year-olds, including:
 - (A) Developing incentives to enhance quality in programs and services; and
 - (B) Developing an effective, comprehensive, and integrated system to provide training and technical support to, and to monitor, programs and services within the System, to ensure that quality standards are met;
- (13) Specifying that the Program consists of DHS awarding grants to early learning programs and services that serve three- and four-year-olds and meet the criteria developed by the Council, including:
 - (A) What was formerly listed as "components" of the Program;

- (B) The implementation of evidence-based and culturally responsive models of service delivery; and
- (C) Minimum scheduling requirements;
- (14) Establishing and appropriating funds into the Keiki First Steps Special Fund to be used for the expenses of the Council and System;
- (15) Statutorily establishing the Pre-Plus Program in DHS rather than in DOE statute, but requiring DHS to work closely with DOE to develop suitable Pre-Plus programs on DOE campuses;
- (16) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (17) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2973, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2973, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward.

SCRep. 1038-08 Finance on H.B. No. 1745

The purpose of this bill is to provide job security to employees of businesses that employ 100 persons or more in the event that their employing business is subject to a sale, merger, or other transfer.

ILWU Local 142, Hawaii State AFL-CIO, and a concerned individual supported this bill. The Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, Hawaii Business League, National Federation of Independent Business, Retail Merchants of Hawaii, and the Hawaii Hotel & Lodging Association opposed this measure. UNITE HERE! Local 5 submitted comments.

Your Committee has amended this measure by:

- (1) Changing its 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. 1745, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1745, H.D. 3.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward. (Representative Meyer voted no.)

SCRep. 1039-08 Finance on H.B. No. 3440

The purpose of this bill is to protect the people of and natural resources on and around the island of Ni‘ihau by creating a marine life conservation district within the waters surrounding the island of Ni‘ihau with exceptions for subsistence fishing and limu harvesting by the residents of Ni‘ihau.

Pae‘aina Communications, LLC., testified in support of this bill. Hawaii Nearshore Fishermen testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Deleting the current language allowing for subsistence fishing and limu harvesting by the residents of Ni‘ihau;
- (2) Inserting language that requires the Department of Land and Natural Resources (DLNR), in conjunction with the ‘Aha Kiole Advisory Committee and, when established, the ‘Aha Moku Council, to adopt rules that:
 - (A) Restrict all forms of thrill craft, including jet skis, and tour boat activities in the marine life conservation district;
 - (B) Permit all current forms of fishing as provided by statute within the marine life conservation district; and
 - (C) Permit, restrict, or condition other activities, including allowing exceptions to the conservation district and other rules and prohibitions consistent with sections 190-3 and 190-4, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3440, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3440, H.D. 2.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1040-08 Finance on H.B. No. 2693

The purpose of this bill is to satisfy the requirements of the Hawaii Constitution by:

- (1) Allowing any department of the executive branch to provide services to the Judicial Selection Commission (Commission);
- (2) Requiring the Department of Accounting and General Services to provide various financial services to the Commission, including issuing warrants and making payments, which are consistent with the Commission's independent fiscal status; and
- (3) Making a separate appropriation to the Commission to carry out its operations.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2693 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Har, Nakasone, Meyer, Pine and Ward.

SCRep. 1041-08 Finance on H.B. No. 466

The purpose of this bill is to provide sexual assault survivors with informed access to emergency contraception by:

- (1) Requiring hospitals and health facilities that provide medical care to these survivors to:
 - (A) Provide accurate information about emergency contraception;
 - (B) Inform survivors of the option to receive emergency contraception at the facility;
 - (C) Provide emergency contraception immediately, upon request; and
 - (D) Ensure that each person at the facility providing medical care to the survivor is trained regarding emergency contraception and sexual assault treatment;
- (2) Requiring that funding for emergency contraception be provided from the Domestic Violence and Sexual Assault Special Fund; and
- (3) Authorizing the Department of Health (DOH) to impose fines for violations of these requirements.

The Hawaii State Democratic Women's Caucus, Planned Parenthood of Hawaii – Action Network, Hawaii Women's Political Caucus, Healthy Mothers Healthy Babies of Hawaii, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Sex Abuse Treatment Center, The League of Women Voters, and several concerned individuals supported this bill. The Department of Health, Christian Voice of Hawaii, St. Francis Healthcare System of Hawaii, Hawaii Medical Center, Hawaii Family Forum, Hawaii Catholic Conference, Pro-Family Hawaii, and several concerned individuals 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. 466, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Har, Nakasone and Ward. (Representatives Magaoay, Manahan, Tokioka, Meyer and Pine voted no.)

SCRep. 1042-08 Health on H.C.R. No. 62

The purpose of this bill is to request the auditor to assess the social and financial effects of requiring health insurers to provide coverage for diagnosis and treatment of autism spectrum disorders.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Autism Society of Hawaii, Hawaii Disability Rights Center, Cure Autism Now Walk Now, Cure Autism Now Foundation, and several concerned individuals 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 concurs with the intent and purpose of H.C.R. No. 62 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1043-08 Health on H.R. No. 50

The purpose of this concurrent resolution is to request the Department of Health to assess the advantages and disadvantages of requiring cervical cancer vaccinations for girls before they enter the seventh grade.

The American College of Obstetricians and Gynecologists, Hawaii Section supported this concurrent resolution. 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. 50 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1044-08 Health on H.C.R. No. 51

The purpose of this concurrent resolution is to request the Department of Health to assess the advantages and disadvantages of requiring cervical cancer vaccinations for girls before they enter the seventh grade.

The American College of Obstetricians and Gynecologists, Hawaii Section supported this concurrent resolution. 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. 51 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1045-08 Health on H.R. No. 41

The purpose of this resolution is to help ensure parental rights by:

- (1) Recognizing and supporting the traditional and constitutionally protected right of parents to make decisions relating to the care, custody, and control of their children; and
- (2) Acknowledging that governmental interference with parental rights is permissible only to prevent injury or potential injury to a child.

Several concerned individuals supported this resolution.

Your Committee has amended this resolution by:

- (1) Clarifying that government interference with the rights of parents to raise their children is permissible only to prevent injury or potential injury to a child if there is probable cause, and actions taken against parents are carried out according to our laws;
- (2) Establishing that children can and should be protected from abuse or neglect by the continued enforcement of time-honored constitutional principles governing the parent-child relationship; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 41, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 41, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Shimabukuro. (Representative Rhoads voted no.)

SCRep. 1046-08 Health on H.C.R. No. 41

The purpose of this concurrent resolution is to help ensure parental rights by:

- (1) Recognizing and supporting the traditional and constitutionally protected right of parents to make decisions relating to the care, custody, and control of their children; and
- (2) Acknowledging that governmental interference with parental rights is permissible only to prevent injury or potential injury to a child.

Several concerned individuals supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying that government interference with the rights of parents to raise their children is permissible only to prevent injury or potential injury to a child if there is probable cause, and actions taken against parents are carried out according to our laws;
- (2) Establishing that children can and should be protected from abuse or neglect by the continued enforcement of time-honored constitutional principles governing the parent-child relationship; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 41, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 41, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Shimabukuro. (Representative Rhoads voted no.)

SCRep. 1047-08 Health on H.R. No. 12

The purpose of this concurrent resolution is to help educate men and their families about the importance of positive health attitudes and preventive health practices by recognizing the second week of June as Men's Health Week.

The State Commission on Fatherhood and several concerned individuals 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.R. No. 12 and recommends its adoption.

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

SCRep. 1048-08 Health on H.C.R. No. 11

The purpose of this concurrent resolution is to help educate men and their families about the importance of positive health attitudes and preventive health practices by recognizing the second week of June as Men's Health Week.

The State Commission on Fatherhood and several concerned individuals 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. 11 and recommends its adoption.

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

SCRep. 1049-08 Health on H.R. No. 25

The purpose of this concurrent resolution is to prevent the infants and children of Hawaii from suffering from residual disabilities such as brain damage, seizures, mental retardation, spinal injury, paralysis, blindness and hearing loss due to Shaken Baby Syndrome by urging all hospitals that provide medical care to newborns to provide parents of the newborn with written educational information approved by the Department of Health about the dangerous effects of shaken baby syndrome and the methods of preventing shaken baby syndrome.

Several concerned individuals supported this concurrent resolution. 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 H.R. No. 25 and recommends its adoption.

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

SCRep. 1050-08 Health on H.C.R. No. 25

The purpose of this concurrent resolution is to prevent the infants and children of Hawaii from suffering from residual disabilities such as brain damage, seizures, mental retardation, spinal injury, paralysis, blindness and hearing loss due to Shaken Baby Syndrome by urging all hospitals that provide medical care to newborns to provide parents of the newborn with written educational information approved by the Department of Health about the dangerous effects of shaken baby syndrome and the methods of preventing shaken baby syndrome.

Several concerned individuals supported this concurrent resolution. 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 H.C.R. No. 25 and recommends its adoption.

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

SCRep. 1051-08 Health on H.R. No. 33

The purpose of this resolution is to raise awareness in women about warning signs of ovarian cancer by urging the Hawaii Chapter of the American Cancer Society and other local health care agencies to inform clients of the common symptoms of ovarian cancer.

Several concerned individuals supported this resolution. The American Cancer Society Hawaii Pacific, Inc., submitted comments.

Your Committee has amended this resolution to acknowledge the month of September as National Ovarian Cancer Month and Gynecological Cancer Awareness Month and, therefore, changing its title to:

"ACKNOWLEDGING THE MONTH OF SEPTEMBER AS NATIONAL OVARIAN CANCER MONTH AND GYNECOLOGICAL CANCER AWARENESS MONTH."

Your Committee has also amended this measure by:

- (1) Urging all primary health care providers and cancer organizations to develop and implement educational strategies to inform women of the common symptoms of ovarian cancer; 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. 33, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 33, H.D. 1.

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

SCRep. 1052-08 Health on H.C.R. No. 33

The purpose of this concurrent resolution is to raise awareness in women about warning signs of ovarian cancer by urging the Hawaii Chapter of the American Cancer Society and other local health care agencies to inform clients of the common symptoms of ovarian cancer.

Several concerned individuals supported this concurrent resolution. The American Cancer Society Hawaii Pacific, Inc., submitted comments.

Your Committee has amended this concurrent resolution to acknowledge the month of September as National Ovarian Cancer Month and Gynecological Cancer Awareness Month and, therefore, changing its title to:

"ACKNOWLEDGING THE MONTH OF SEPTEMBER AS NATIONAL OVARIAN CANCER MONTH AND GYNECOLOGICAL CANCER AWARENESS MONTH."

Your Committee has also amended this measure by:

- (1) Urging all primary health care providers and cancer organizations to develop and implement educational strategies to inform women of the common symptoms of ovarian cancer; 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. 33, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 33, H.D. 1.

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

SCRep. 1053-08 Health/Human Services & Housing on H.R. No. 51

The purpose of this concurrent resolution is to address the serious problem of patients who must remain in acute care hospitals because they cannot be transferred to a long-term care (LTC) facility due to insufficient numbers of LTC beds in nursing facilities by requesting that the Healthcare Association of Hawaii (HAH) continue its efforts to develop solutions to the problem.

HAH, the Hawaii State Commission on the Status of Women, and Hawaii Pacific Health 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.R. No. 51 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Shimabukuro and Ward.

SCRep. 1054-08 Health/Human Services & Housing on H.C.R. No. 53

The purpose of this concurrent resolution is to address the serious problem of patients who must remain in acute care hospitals because they cannot be transferred to a long-term care (LTC) facility due to insufficient numbers of LTC beds in nursing facilities by requesting that the Healthcare Association of Hawaii (HAH) continue its efforts to develop solutions to the problem.

HAH, the Hawaii State Commission on the Status of Women, and Hawaii Pacific Health 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. 53 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Shimabukuro and Ward.

SCRep. 1055-08 Finance on H.B. No. 2700

The purpose of this bill is to provide the Judiciary with the supplemental appropriations and authorizations for its operations and capital improvements for fiscal biennium 2007-2009 by amending the Judiciary Appropriations Act of 2007.

Your Committee has carefully considered the Judiciary's supplemental budget request and sought to provide general funds to further the Judiciary's mission of administering justice in an impartial, efficient, and accessible manner.

To ensure that the interests of children are represented in judicial proceedings involving neglect and abuse, your Committee has allocated an additional \$1,472,603 for guardians ad litem and court-appointed counsel.

Your Committee also supports the Judiciary's efforts to improve access to its services to meet the needs of Hawaii's growing and diverse population. To this end, your Committee provided the following:

- (1) \$278,358 for an additional judgeship and support staff for the Hamakua and North/South Kohala districts; and
- (2) \$219,385 for the Office of Equality and Access to the Courts to expand court interpreter services.

Your Committee has also provided the following:

- (1) \$451,114 for the expansion of the Maui Drug Court;
- (2) \$682,439 for repair and maintenance of aging facilities and security screening equipment for Oahu circuit and district courts;
- (3) \$746,954 for pay raises for judges as recommended by the Commission on Salaries; and
- (4) \$416,000 for increased costs of forensic psychiatric and psychological exams.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2700, H.D. 1., and be placed on the calendar for Third Reading.

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

SCRep. 1056-08 Finance on H.B. No. 2500

The purpose of this bill is to appropriate supplemental funds for the operating and capital improvement costs for the Executive Branch for Fiscal Year (FY) July 1, 2008, through June 30, 2009.

In total, this budget appropriates \$5,306,197,741 in general funds and \$10,773,987,822 in all means of financing for FY 2008-2009.

Introduction

Over the past two years, the Legislature seized upon an unprecedented opportunity to invest strategically in Hawaii's future. The Legislature was able to provide over \$256,000,000 in targeted tax cuts. These tax cuts struck a balance between supporting those with the greatest need and providing relief to all taxpayers.

During this time of economic growth, the Legislature was able to invest in human capital and the environment by supporting many core functions of government that had been negatively affected under tight budgets in the past. Your Committee was able to provide stable, base funding for areas such as:

- Homeless and affordable housing programs;
- Emergency medical services;
- Workforce development programs;
- Environmental protection initiatives; and

- Renewable energy research.

Strong revenue projections indicated an opportune time for investment of capital in critical areas of need, particularly in education. The Legislature provided \$340,000,000 for improvements to the physical infrastructure of schools within the Department of Education (DOE) and the University of Hawaii (UH).

A year ago, your Committee warned that "[i]n recent years, government spending has grown dramatically: 44 percent over the last four years alone. Such growth is simply unsustainable over the long term."

Recent statistics confirm what your Committee and economists have been predicting – that Hawaii's robust economy is beginning to slow. The *Quarterly Statistical & Economic Report* published by the Department of Business, Economic Development, and Tourism (DBEDT) on February 26, 2008, lists some potentially troubling facts, including:

- Total civilian employment for the fourth quarter of 2007 was down 1.2 percent from that of 2006, the first quarterly decrease since the fourth quarter of 2002;
- The number of unemployed increased 10.2 percent, the first annual increase since 2001;
- In the third quarter of 2007, Hawaii's total nominal personal income increased 6.0 percent from the third quarter of 2006, the slowest growth since the fourth quarter of 2003; and
- For the year, total arrivals by air were down 1.2 percent and the average daily census was down 1.6 percent from 2006.

Given these statistics, it is imperative that fiscal conservatism be practiced when deciding funding levels for government programs. While public expectations continue to be high, the Legislature will remain vigilant and scrutinize how taxpayer dollars are spent.

Despite a natural tendency to spend extravagantly when resources are available, last year your Committee began the difficult process of scaling back expenditures to avoid more dramatic, painful cuts to critical government services. This approach was highly criticized by key people in the Governor's office, who claimed that the Legislature should have spent more and provided more tax cuts.

Two weeks after adjournment sine die of the 2007 Regular Session, a commentary entitled "Legislature 2007: It was Not a Very Good Year," was published in the May 15, 2007, edition of *The Honolulu Advertiser*. In the commentary, the Governor's senior policy advisor complained that the Legislature didn't do enough, specifically criticizing the Legislature's decision not to meet several of the Administration's spending and revenue reduction proposals. It was revealed that the Governor wanted to:

- Spend \$275,000,000 to build and improve public housing, while the Legislature provided \$112,000,000 (a difference of \$163,000,000); and
- Provide \$350,000,000 in tax cuts, while the Legislature provided \$82,000,000 (a difference of \$268,000,000).

In other words, the Legislature did not approve \$431,000,000 in spending and revenue reductions that the Governor wanted. Seven months later in her state-of-the-state address on January 22, 2008, the Governor stated that, "...although the economy remains fairly strong, the bottom line is that since May of last year when the Legislature adopted the biennium budget, tax revenue estimates have declined by \$353,000,000."

Had the Legislature followed the Governor's spending plan, Hawaii would now be facing a \$784,000,000 shortfall.

Continuing with the approach established last year, your Committee has diligently scrutinized every funding request and provided a balanced financial plan by cutting \$67,500,000 from the \$5,300,000,000 Executive budget, a 1.27 percent reduction.

The Governor's senior policy advisor concluded the *Honolulu Advertiser* commentary by claiming, "It is my hope that we will see more constructive behavior in the 2008 Legislative session. The Lingle-Aiona Administration remains...willing to engage in an honest discussion of public policy issues. This is the way to advance the public's business – before another Legislative session wastes precious time."

Your Committee, through a memorandum dated February 6, 2008, and sent to all department heads, attempted to work with the Administration to determine where best to impose cuts to the budget. However, contrary to the public statements made by the Governor's office, attempts to work with the Administration proved fruitless. In a memorandum dated February 19, 2008, received by your Committee in response to a request to all agencies to determine the impact of a three percent or six percent reduction to their discretionary budgets, the Administration stated that, "we cannot comply with this request."

Section 37-68, Hawaii Revised Statutes, delineates the responsibilities of every agency in state government, as it relates to the budget of the state of Hawaii. Paragraph (2) requires each agency to:

Make available to the legislature and any member or committee of either house of the legislature, all documents and information as may be requested.

Your Committee therefore finds it troubling that the Administration is unwilling to comply with the law.

However, despite the lack of response by the Administration, reductions to the budget still need to be made. To that end, your Committee has imposed four percent reductions to most departments' general fund discretionary budgets.

These reductions are mostly being taken from each department's administrative program. It is not the intent of your Committee to reduce each department's administrative programs to the point of crippling them. However, without the cooperation of the Administration, your

Committee made the best decisions it could. It is intended that the departments determine where to take these reductions and transfer money internally to meet the fiscal requirement of aligning expenditures with revenues. Certainly, the lack of cooperation from the Administration makes the process more difficult than it need be.

In addition to four percent discretionary reductions, your Committee has removed many positions in state government that have been vacant since June 30, 2007, or longer. These positions have been vacant for at least eight months, yet the funds are still budgeted and possibly being spent.

Consideration was given to those areas with court-ordered mandates or other areas of real or potential concern. In addition, vacancies that were being filled with 89-day hires were left in the budget. Your Committee looked at all means of financing in making its vacancy reductions. In this budget, vacancy reductions total \$7,129,526 in general funds and \$16,861,087 in all means of financing, eliminating 162.45 permanent positions from state government. To put this amount in perspective, a report generated by the Department of Human Resources Development on February 18, 2008, indicated that a total of 2,620 permanent positions in state government were vacant, resulting in a total of \$86,800,000 in all means of financing and \$50,400,000 in general fund appropriations.

There will be those who say that these reductions are too austere or that state government will shut down. However, your Committee is of the opinion that there are enough resources, if managed well, in the Executive Branch's existing budget. Your Committee notes that at the end of FY 2006-2007, the Executive Branch had not spent an amount in excess of \$115,000,000 in general fund appropriations. Your Committee further notes that various federal grants in excess of \$1,500,000,000 are received by the Executive Branch.

This budget does not contain any frivolous new proposals, but fulfills the basic needs to ensure sustainability. Such sustainability is needed, for while Hawaii's economy continues to grow, there are ominous signs on the horizon. Indeed, your Committee would be remiss if it failed to soberly face the challenges ahead. As a result, your Committee has crafted a balanced budget that reflects the economic realities before us, while providing for the critical needs and demands of our communities, with a focus on:

- Ensuring that affordable housing projects continue to be built;
- Funding programs that respond to critical health and human services needs, particularly in our rural areas;
- Providing support to renewable energy research and development to decrease our reliance on fossil fuels;
- Supporting the continuous repair and maintenance of our physical infrastructure, particularly of our schools; and
- Ensuring that the needs of Hawaii's fragile environment are met.

Your Committee continues to take a realistic, prudent, and fiscally responsible approach to balancing competing demands for resources in the development of this supplemental budget.

Department Highlights

Department of Business, Economic Development, and Tourism

In an effort to assist Hawaii's energy conservation efforts and to look at alternatives to reduce Hawaii's dependency on oil, your Committee has approved the Department of Business, Economic Development, and Tourism's (DBEDT) request for a bio-energy program manager and associated funds to support the bio-energy program.

Department of Human Services

Your Committee recognizes the ongoing issue of homelessness and affordable housing in Hawaii. Thus, the \$4,300,000 funding request by the Department of Human Services (DHS) for homeless services has been approved. The funding request includes:

- \$400,000 for Building 36 at Kalaeloa, to provide for 72 studio units;
- \$1,500,000 for Villages at Maili, to provide for 80 family apartment units;
- \$550,000 for Kahikolu in Waianae, to provide emergency and transitional housing for 262 persons; and
- \$1,850,000 for support to existing contracted services.

Your Committee finds that the Hawaii Public Housing Authority's (HPHA) ability to manage its finances needs improvement. Though your Committee recognizes that HPHA is a relatively new agency established in 2006 as the result of the split of the former Housing and Community Development Corporation of Hawaii into two separate agencies, it is problematic when a program that receives large amounts of funding is unable to consistently provide accurate financial data and budget projections. Under the leadership of the new executive director, your Committee looks forward to HPHA improving its fiscal monitoring ability.

In a continuing effort to support the Hawaii Youth Correctional Facility's (HYCF) compliance with the February 7, 2006, Memorandum of Agreement with the United States Department of Justice, all of HYCF's requests for additional staff and funding to "protect incarcerated youth from harm and provide proper access to medical care," has been approved. Your Committee has high expectations of HYCF, and will continue to closely monitor its progress.

The State Children's Health Insurance Program (SCHIP) is an essential program, providing health coverage to thousands of children in Hawaii. This program is funded from the State's general fund, with matching federal funds. Unfortunately, SCHIP has not yet been

reauthorized by our federal government, and funding has only been extended until March 1, 2009. With the potential loss of federal funds, health coverage for some children may be jeopardized. Therefore, given this uncertainty, your Committee has approved the DHS request to convert \$585,000 in federal funds to \$585,000 in general funds, to prevent any loss of coverage.

Your Committee finds it disconcerting that the Med-Quest Administrator position continues to remain vacant since May 2007. In addition, there is lack of transparency regarding the status of the search for a new Administrator. Attempts to determine where the department is in the hiring process have produced no useful information. Filling this position should be a top priority for the department, given its size and importance, with expenditures exceeding \$1,000,000,000 annually.

Your Committee remains concerned with regard to the questionable use of Temporary Assistance for Needy Families (TANF) funds, and would like to iterate that the top two purposes of the TANF program are to:

- (1) Provide assistance to needy families; and
- (2) End the dependence of needy parents by promoting job preparation, work, and marriage.

TANF funds should be used more responsibly with greater emphasis placed on these top priority purposes. Of foremost importance is assisting those who need help the most, while remaining within the scope of the TANF program. Lastly, it is important that TANF funds are expended with a greater level of foresight and thought, to ensure that TANF reserve levels are maintained and available for the lean years that are sure to come as the economy slows. For example, if present expenditure levels are continued, the TANF reserve will be completely depleted by the middle of FY 2009-2010.

Department of Health

Your Committee is pleased to recognize the hard work of the Department of Health (DOH) to ensure that the State of Hawaii remains a healthy place to live and work while dealing with the harsh realities of an increasingly complex health care system and a growing need for health care support.

Your Committee acknowledges the critical statewide necessity of timely and reliable access to emergency medical services. However, serious concerns have been raised by yearly requests for additional funding to ensure access to these services. Last year \$4,811,639 in general funds was provided for FY 2007-2008 and \$5,529,757 was provided for FY 2008-2009. This year, DOH is requesting an emergency appropriation of \$1,807,539, as well as an additional \$4,159,533 for FY 2008-2009. Although the requested funding has been provided, your Committee believes more information must be made available on the reasons for these dramatic increases and what measures DOH is taking to address the rising costs in the years to come.

University of Hawaii

The University of Hawaii (UH) is the backbone of Hawaii's future: higher education is key to the economic growth, technological advancement, and overall success of our state. Recent studies show that the UH System contributed \$1,660,000,000 to the State's economy in 2006 and represents a higher portion of the State's gross domestic product than agriculture, manufacturing, media, and information technology. The UH System increases each dollar of general funds appropriated by the Legislature by \$1.88. Additionally, every dollar of general funds appropriated to the UH System generates \$4.25 in business sales, \$2.59 of labor earnings, and \$0.26 in tax revenues.

Recognizing the importance of investing in higher education, your Committee has appropriated an additional \$6,992,577 in general funds to the UH System for its operating expenditures, in spite of tight fiscal constraints. Funds have been appropriated to the various campuses as follows:

- \$3,433,632 to UH-Manoa;
- \$415,685 to UH-Hilo;
- \$12,500 to UH-West Oahu; and
- \$3,130,760 to the UH community colleges.

Your Committee acknowledges the increasing number of cases of mental illness and trauma among students at public schools and universities, sadly punctuated by the recent tragedies at Virginia Tech, Louisiana Technical College, Northern Illinois University, and five other schools over the past year. Your Committee has therefore provided funds for additional clinical psychologists, increasing the counseling capacity at UH-Manoa by 40 percent. Furthermore, in reaction to security concerns following these incidents and the rise in campus crime, your Committee has also provided 21 positions and \$3,330,077 for additional resources to improve and expand security throughout the UH System. These funds will assist the various campuses to create security plans, implement emergency communication systems, and improve the visibility and response of security officers.

Your Committee is also aware of the vital role played by UH libraries in improving the educational capital and research capacity of the state. Therefore, your Committee has provided eight additional positions and \$2,500,000 to improve access to, and availability of, library materials and electronic resources.

Outdated and failing equipment is challenging the capacity of community colleges to provide specialized programs in fields such as medicine, radiology, and information technology. Ensuring that students have access to up-to-date equipment should be a top priority as the future workforce of the state needs adequate qualifications and experience to succeed in a rapidly-changing economy. Your Committee has therefore appropriated \$820,000 to repair, replace, and provide new equipment for these programs.

Your Committee takes note of recent audits of the UH System and has serious concerns about insufficient accountability within the UH System. Your Committee has found inaccurate reporting of special funds and vacant positions, some of which have been vacant for over eight years, making it difficult to gauge the actual needs and funding shortfalls of the UH System. In response, your Committee strongly encourages better reporting of the use of general funds and profitable school-related non-general funds. Your Committee has also appropriated funds from special and revolving funds for UH purposes as follows:

- \$622,000 to support student retention, success, and school accreditation initiatives;
- \$350,000 to maintain classroom technology; and
- \$590,000 to support security needs.

Department of Education

Recognizing the importance of transparency and accountability in state government, your Committee is concerned about the continued inclusion of debt service, retirement benefits, and health benefit payments in the Department of Education's (DOE) budget. In actuality, these costs are passed through the Department of Budget and Finance. There have been many misconceptions that this money is at DOE's disposal. Your Committee finds it duplicitous that the Administration claims to have bestowed on DOE an additional \$62,000,000, when these are funds to pay fixed costs, funds to which DOE does not have access.

Your Committee recognizes that our public education system must better address the needs of its homeless students. Currently, the only homeless concerns resource teacher (HCRT) in the state is based on Oahu and has the difficult task of overseeing the identification and assistance of an estimated 2,000 homeless students across the entire state. This HCRT is also tasked with ensuring that DOE is in compliance with federal standards mandated by the McKinney-Vento Homeless Assistance Act of 1987. To address this pressing need and assist in these efforts, your Committee has funded two additional HCRT positions.

Your Committee finds that despite problems with existing charter schools, and before garnering the funds needed to operate additional schools, the Charter School Review Panel (CSRP) authorized new start-up charter schools. Such actions create an untenable situation that leaves little choice but to use funding from already stretched resources to prevent the closure of these new schools. In the future, the CSRP should demonstrate more prudence and fiscal responsibility in its management of charter schools by waiting until funding is approved before authorizing additional start-up charter schools.

Department of Land and Natural Resources

Your Committee remains devoted to supporting the objectives set forth by the Department of Land and Natural Resources to conserve, protect, develop, and use the natural and cultural resources of Hawaii. Issues relating to the conservation of Hawaii's unique natural resources continue to be of concern as more residents and visitors take part in recreational hunting, fishing, and boating. Furthermore, as usage of state parks and hiking trails continues to increase, so does the number of violations of the laws that protect Hawaii's natural resources in public and restricted areas.

The Division of Conservation and Resources Enforcement is responsible for enforcing these laws to ensure that natural areas, historic sites, refuges, unencumbered state lands, and sanctuaries are protected and preserved. Current staffing levels at the division are not sufficient to provide adequate resource protection. Your Committee has approved \$823,298 from special funds for an additional 11 Conservation and Resources Enforcement Officer positions to be assigned across the state to increase the enforcement capabilities of the division. Additionally, your Committee has approved \$247,566 in special funds for four clerk typist positions, who will strengthen the division's capabilities to route complaints to officers in the field and handle calls and complaints from the public.

Department of Defense

The Hawaii National Guard (HING) provides an invaluable service to the state as first responder in the face of manmade or natural disasters. Your Committee is deeply concerned about the current state of repair of this vital organization's facilities. The maintenance of many HING facilities is seriously lacking in areas ranging from bad ventilation of its heating and air conditioning systems to leaky roofs and unsafe storage buildings. It seems that this is not an issue of appropriating money but rather an issue of cash flow. In the past few years, the damage caused to Hawaii by natural disasters including flooding, high winds, and earthquakes has placed a strain on both HING and the state as a whole. Funding required for necessary disaster recovery has reduced the availability of money to address the crumbling infrastructure of HING facilities. Although HING has secured funds from the Federal Emergency Management Agency and other resources to reimburse its disaster recovery efforts, this funding comes too late, and structural problems have gone unrepaired, amplifying the problem. Therefore, your Committee has appropriated an additional \$1,156,708 for HING toward its efforts to respond to and mitigate the disasters Hawaii faces and hopes that a more permanent solution may be developed to enable HING to ensure the integrity of its facilities and its ability to properly respond to disasters.

The Office of Veterans Services (OVS) has worked hard to ensure that Hawaii's veterans' cemeteries are maintained to standards equal to federal regulations. While some of Hawaii's veterans' cemeteries are works-in-progress, your Committee feels assured that the problems of the past will remain in the past and OVS will provide due diligence in addressing any future issues with our veterans' cemeteries. To help address the concerns at our veterans' cemeteries, your Committee has appropriated \$170,329 in general funds.

Unfortunately, OVS has not been as diligent in addressing the needs of our returning soldiers. It has failed to submit to the Legislature a report requested in Section 59 of Act 213, Session Laws of Hawaii 2007, the General Appropriations Act, requiring OVS to conduct a comprehensive assessment of the adequacy of mental health services, medical and rehabilitative services, and job training and employment services for veterans of the conflicts in Iraq and Afghanistan. Considering the multitude of resources at our state's fingertips, it is troubling that OVS has failed to produce this comprehensive report outlining the effects that returning soldiers will have on the community so we may ensure that these dedicated people and their families receive the services needed as a result of their sacrifice and service to our country.

Department of Taxation

The Department of Taxation (DOTAX) collects tax revenue for the state. The digitization and upgrading of tax systems have greatly improved the Department's efficiency and increased state revenues. During the implementation of the Integrated Tax Information Management System from 1999-2004, DOTAX generated \$252,000,000 in revenue that would not have otherwise been collected while only spending \$53,000,000 in implementing the new system. Furthermore, DOTAX's initiative to digitize tax forms has improved compliance and accessibility to tax information. DOTAX has also completed a large project in administering the collection of the new county surcharge tax.

To further assist DOTAX, your Committee has appropriated \$422,000 in general funds to improve the electronic storage of, and increase electronic access to, tax information. While your Committee is concerned over increasing expenditures in the administration of the county surcharge tax, an additional \$233,000 has been appropriated to improve its efficiency by addressing software and inputting errors, as well as expected compliance issues.

Capital Improvements Program

For FY 2008-2009, the Administration requested \$693,185,000 in general obligation (G.O.) bond-funded projects and \$1,556,022,000 in projects funded by all means of financing. Given the significant uncertainties surrounding the state of our national and local economy, your Committee has reduced this amount and approved \$512,341,000 in G.O. bond-funded appropriations as part of a total of \$1,463,295,000 in all means of financing for capital projects for FY 2008-2009. In other words, your Committee has reduced the requested G.O. bond-funded amount by \$180,844,000 or 26 percent.

While remaining fiscally responsible, your Committee has first sought to address the critical health, safety, and general welfare needs of our entire state. To mitigate the growing threat of invasive species entering the state through our airports and harbors, your Committee has approved \$6,500,000 in G.O. bond funds for joint biosecurity inspection facilities at the Honolulu International Airport and Honolulu Harbor.

In addition, your Committee remains dedicated to improving and enhancing the public education infrastructure throughout the state. While remaining mindful of the need for new and modern facilities, your Committee has focused on improving the deteriorating conditions of existing facilities that continue to detract from the overall experience of our students. Therefore, \$120,937,000 in all means of financing has been provided to assist the DOE in addressing various projects of an imminent and critical nature, including \$25,000,000 for cesspool removal.

Your Committee has further demonstrated its dedication to the critical needs of public education by providing \$185,236,000 in all means of financing for capital improvements for the UH System. Of this amount, nearly \$66,000,000 in G.O. bonds has been provided to assist all UH campuses, including community colleges, in addressing health, safety, and building-code requirements, as well as their increasing repair and maintenance backlog.

During the hearing on this measure, your Committee received testimony from numerous people in support of a new law-school building for the William S. Richardson School of Law, as well as funds to design the Performing Arts Facility for the Department of Theater and Dance. Your Committee recognizes the worth of these projects but was unable to provide any funding for them.

Finally, your Committee has responded to the needs of the homeless and low-income populations within our state by infusing a combined total of \$20,000,000 into the Rental Housing Trust Fund and the Dwelling Unit Revolving Fund. Your Committee has also approved \$26,000,000 in G.O. bonds to complete the purchase of the Kukui Gardens Rental Housing Complex.

Economic Concerns

Future fiscal conditions, the immediate needs of the state, and national economic trends were key factors in the fiscally conservative approach that your Committee took in crafting this supplemental budget.

A report by the Center on Budget and Policy Priorities (CBPP) dated February 25, 2008, found that 25 states expected to face budget shortfalls for FY 2008-2009. In addition, a March 3, 2008, analysis also done by CBPP found that "there are twenty-seven states that clearly are in need of relief now." While Hawaii is not one of these states, it would be unwise to ignore these warning signs present in other states.

In this budget, your Committee removed unneeded vacant positions, scrutinized the Executive's requests for additional funding, and imposed up to a four percent cut to the discretionary parts of the budget. Your Committee has taken appropriate measures to ensure that state government is able to provide essential services while at the same time preparing for an economic slowdown and the subsequent decrease in revenues.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2500, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1057-08 International Affairs on H.R. No. 19

The purpose of this resolution is to urge the United States Congress to enact legislation to exempt children of Filipino World War II veterans from immigrant visa limits and grant them priority issuance of visas.

The Oahu Filipino Community Council, Filipino American Citizens League, National Federation of Filipino American Associations Region 12, Philippine Nurses Association-Hawaii, Congress of Visayan Organizations, Filipino Coalition for Solidarity, Nursing Advocates & Mentors, Inc., and United Filipino Council of Hawaii 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. 19 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

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

SCRep. 1058-08 International Affairs on H.C.R. No. 19

The purpose of this concurrent resolution is to urge the United States Congress to enact legislation to exempt children of Filipino World War II veterans from immigrant visa limits and grant them priority issuance of visas.

The Oahu Filipino Community Council, Filipino American Citizens League, National Federation of Filipino American Associations Region 12, Philippine Nurses Association-Hawaii, Congress of Visayan Organizations, Filipino Coalition for Solidarity, Nursing Advocates & Mentors, Inc., and United Filipino Council of Hawaii 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. 19 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

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

SCRep. 1059-08 International Affairs on H.R. No. 22

The purpose of this resolution is to proclaim the month of June 2008 as Filipino Veterans Appreciation Month.

The Filipino American Citizens League, Philippine Nurses Association-Hawaii, Nursing Advocates & Mentors, Inc., Filipino Coalition for Solidarity, United Filipino Council of Hawaii, Congress of Visayan Organizations, Oahu Filipino Community Council, and National Federation of Filipino American Associations Region 12 testified in support of this resolution. The Office of Veterans Services supported the concept 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. 22 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

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

SCRep. 1060-08 International Affairs on H.C.R. No. 22

The purpose of this concurrent resolution is to proclaim the month of June 2008 as Filipino Veterans Appreciation Month.

The Filipino American Citizens League, Philippine Nurses Association-Hawaii, Nursing Advocates & Mentors, Inc., Filipino Coalition for Solidarity, United Filipino Council of Hawaii, Congress of Visayan Organizations, Oahu Filipino Community Council, and National Federation of Filipino American Associations Region 12 testified in support of this concurrent resolution. The Office of Veterans Services supported the concept 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. 22 and recommends that it be referred to the Committee on Public Safety & Military Affairs.

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

SCRep. 1061-08 International Affairs on H.R. No. 39

The purpose of this resolution is to condemn the genocide and violence in Northern Uganda and urge Congress, with the support of the President, to engage the international community to take action to protect the children of Uganda.

Several concerned individuals supported this resolution.

Your Committee notes that the focus of this resolution should be the children. Although the government of Uganda has taken steps to improve human rights, more needs to be done to stop the violence that continues to occur, particularly against children.

Accordingly, your Committee has amended this resolution by, among other things:

- (1) Changing its title to read: "CONDEMNING THE HUMAN RIGHTS ATROCITIES AND VIOLENCE AGAINST CHILDREN IN NORTHERN UGANDA AND URGING CONGRESS TO LEAD THE INTERNATIONAL AFFAIRS INTERNATIONAL COMMUNITY IN EFFORTS TO PROTECT THE CHILDREN OF UGANDA";
- (2) Placing more emphasis on the actions of the Lord's Resistance Army; and

- (3) Focusing on the inhumane actions against children and urging the Government of Uganda to abolish child soldiering in its armed forces.

Other technical, nonsubstantive amendments were made 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. 39, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 39, H.D. 1.

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

SCRep. 1062-08 International Affairs on H.C.R. No. 39

The purpose of this concurrent resolution is to condemn the genocide and violence in Northern Uganda and urge Congress, with the support of the President, to engage the international community to take action to protect the children of Uganda.

Several concerned individuals supported this concurrent resolution.

Your Committee notes that the focus of this concurrent resolution should be the children. Although the government of Uganda has taken steps to improve human rights, more needs to be done to stop the violence that continues to occur, particularly against children.

Accordingly, your Committee has amended this concurrent resolution by, among other things:

- (1) Changing its title to read: "CONDEMNING THE HUMAN RIGHTS ATROCITIES AND VIOLENCE AGAINST CHILDREN IN NORTHERN UGANDA AND URGING CONGRESS TO LEAD THE INTERNATIONAL AFFAIRS INTERNATIONAL COMMUNITY IN EFFORTS TO PROTECT THE CHILDREN OF UGANDA";
- (2) Placing more emphasis on the actions of the Lord's Resistance Army; and
- (3) Focusing on the inhumane actions against children and urging the Government of Uganda to abolish child soldiering in its armed forces.

Other technical, nonsubstantive amendments were made 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. 39, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 39, H.D. 1.

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

SCRep. 1063-08 Consumer Protection & Commerce on S.B. No. 988

The purpose of this bill is to encourage the use of renewable energy by authorizing the Public Utilities Commission (PUC), after first assessing beneficial impacts to ratepayers, to establish a photovoltaic rebate program for grid-connected customers within electric utility service areas.

The Hawaii Renewable Energy Alliance, Island Pacific Energy, LLC, ProVision Technologies, Inc., and a concerned individual testified in support of this bill. The Consumer Advocate, PUC, Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company submitted comments.

Photovoltaic energy is a type of renewable energy technology that converts light directly into electricity. This bill seeks to expand the use of this technology, and thereby reduce dependence on imported fossil fuels, by providing rebates to lower the costs associated with these energy systems.

Your Committee has amended this bill by replacing its substance with similar provisions that give PUC greater discretion in establishing a photovoltaic rebate program. As amended, this bill mainly differs from the draft received by your Committee by:

- (1) Specifying that the photovoltaic rebate program is to be ratepayer-funded;
- (2) Requiring the decision to establish the rebate program to be based on a finding that such a program is in the public interest; and
- (3) Replacing the specific requirements for the rebate program with a broad authorization for PUC to determine applicant eligibility, rebate amounts, and other program specifications.

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. 988, 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. 988, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Evans, Morita and Sonson.

SCRep. 1064-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2982

The purpose of this bill is to specifically authorize the Hawaii Community Development Authority (HCDA) to sell or resell the fee simple interest in reserved housing units in the Kakaako Community Development District.

HCDA supported 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. 2982 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 Representatives Carroll, Morita and Saiki.

SCRep. 1065-08 Human Services & Housing on S.B. No. 3061

The purpose of this bill is to conform state law to current federal law by replacing references to the Aid to Families with Dependent Children and the Job Opportunities and Basic Skills Act with the correct references under the federal Temporary Assistance for Needy Families law. This bill also incorporates work activity participation requirements in current federal regulations.

The Department of Human Services 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. 3061 and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee.

SCRep. 1066-08 Human Services & Housing on S.B. No. 2818

The purpose of this bill is to further address issues related to human trafficking by:

- (1) Modifying the membership of the Hawaii Anti-trafficking Task Force (Task Force);
- (2) Extending the Task Force from June 30, 2008, to June 30, 2010; and
- (3) Appropriating funds for Task Force expenses.

The Crime Victim Compensation Commission, City and County of Honolulu Department of the Prosecuting Attorney, Domestic Violence Action Center, Sex Abuse Treatment Center, and Oahu VOICES 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. 2818, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1067-08 Human Services & Housing on S.B. No. 2715

The purpose of this bill is to clarify the rates paid to court-appointed counsel and guardians ad litem by establishing the following rates:

- (1) \$90 an hour for in-court services provided by an attorney licensed to practice law in the state; and
- (2) \$60 an hour for:
 - (A) Out-of-court services provided by an attorney licensed to practice law in the state; and
 - (B) All services provided by a person who is not an attorney licensed to practice law in the state, whether performed in-court or out-of-court.

The Judiciary testified in support of this bill.

Your Committee has amended this bill by:

- (1) Ensuring that the Judiciary may continue to contract for these professional services; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2715, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2715, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1068-08 Energy & Environmental Protection on S.B. No. 2841

The purpose of this bill is to require all retail dealers of beverages in deposit beverage containers with more than 75,000 square feet of retail space to operate redemption centers effective October 1, 2008.

The City and County of Honolulu Department of Environmental Services and Conservation Council for Hawaii testified in support of this bill. The Department of Health, Sierra Club, Hawaii Chapter, and Hawaii Audubon Society supported this measure with amendments. The Retail Merchants of Hawaii opposed this bill. The Hawaii Food Industry Association provided comments.

Your Committee finds that retail stores with more than 75,000 square feet of interior space will have sufficient flexibility in the placement of its redemption center operation without undue interference with its overall operation.

With respect to health concerns raised by dealers required to operate a redemption center, your Committee finds that other jurisdictions with similar redemption center requirements have not encountered health issues that endanger the public health or safety.

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. 2841 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1069-08 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 2273

The purpose of this bill is to support Hawaii's film and digital media industry, including its workforce, by:

- (1) Establishing under the existing Motion Picture, Digital Media, and Film Production Income Tax Credit (Film Tax Credit) an additional tax credit amounting to five percent of qualified production costs incurred by a qualified production, provided that the qualified production employs workers who satisfy certain requirements;
- (2) Authorizing the Department of Labor and Industrial Relations (DLIR) to implement and operate motion picture, digital media, and film production training programs (film training programs), provided that the film training programs are developed and administered under the guidance of a newly established advisory group consisting of members from the University of Hawaii including the community colleges and the Academy of Creative Media, the Hawaii Film Office, and trade unions (Advisory Group); and
- (3) Appropriating funds to support the purposes of paragraphs (1) and (2).

The International Alliance of Theatrical and Stage Employees Local 665 supported this bill. The Department of Taxation supported the intent of this bill with amendments. The Department of Business, Economic Development, and Tourism, DLIR, and the Hawaii Film and Entertainment Board opposed this measure.

Your Committees have amended this measure by:

- (1) Deleting the provisions establishing the additional five percent tax credit under the Film Tax Credit;
- (2) Expanding limitations on claiming the Film Tax Credit by prohibiting:
 - (A) Qualified production costs that are financed by public funds from the State from eligibility for the Film Tax Credit; and
 - (B) After June 30, 2008, taxpayers from claiming the Film Tax Credit for qualified productions that are financed, in whole or in part, by investments for which a credit has been claimed by the taxpayer as a qualified high technology business under the High Technology Business Investment Tax Credit;
- (3) Deleting the provisions authorizing DLIR to establish the film training programs, with the exception of the provision establishing the Advisory Group;
- (4) In lieu of its original purpose, requiring the Advisory Group to conduct a study on the issues relating to the hiring practices of motion picture, digital media, and film productions in Hawaii, including consideration of ways to promote local hiring;
- (5) Deleting the existing appropriations and inserting an appropriation to pay for expenses related to the study conducted by the Advisory Group;
- (6) Changing its effective date to July 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. 2273, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2273, 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 Berg and Ching.

SCRep. 1070-08 Higher Education on S.B. No. 2831

The purpose of this bill is to assist the University of Hawaii (UH) Center on Aging Research and Education to carry out its mission of assuring 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 to the Center for faculty positions and program expenses.

UH at Manoa, the Policy Advisory Board for Elder Affairs, Kokua Council, National Multiple Sclerosis Society, Hawaii Aging Advocates Coalition, and several concerned individuals testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2831, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Health and Human Services & Housing.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1071-08 Economic Development & Business Concerns on S.B. No. 2480

The purpose of this bill is to develop Hawaii's technology workforce by:

- (1) Establishing the Science Technology and Education Special Fund (Special Fund) within the University of Hawaii (UH) system, to hold appropriations, private contributions, and other funding for Science, Technology, Engineering, and Math (STEM) related programs;
- (2) Appropriating general funds into the Special Fund for robotics, the Problem-based, Applied Learning Program, and the Research Experiences for Teachers Program;
- (3) Appropriating general funds to the Hawaii 3Ts School Technology Laboratories Fund to provide matching funds for the Environmental and Spatial Technology initiative; and
- (4) Appropriating federal Temporary Assistance for Needy Families Program funds and general funds for STEM programs and K-12 creative media education programs.

The Department of Business, Economic Development, and Tourism, University of Hawaii, Hawaii Crop Improvement Association, and numerous concerned individuals testified in support of this measure. The Department of Education supported the intent of this measure. The Department on Budget and Finance and several concerned individuals provided comments.

Your Committee recognizes the need for further funding of technology and science-based education, and notes that support for these innovative STEM programs is an initial step toward the creation of a high-technology workforce in Hawaii. However, your Committee has concerns about the creation of the Special Fund, as it may not meet the special fund requirements of section 37-52.3, Hawaii Revised Statutes.

Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2034, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2480, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2480, S.D. 2, H.D. 1, and be referred to the Committees on Higher Education and Human Services & Housing.

Signed by all members of the Committee except Representative Ching.

SCRep. 1072-08 Consumer Protection & Commerce on S.B. No. 2314

The purpose of this bill is to find ways to improve the insurance marketplace by allowing mutual benefit societies with less than five percent share of the health insurance market to condition the issuance or renewal of a health insurance policy on the purchase of dental and vision insurance.

Hawaii Medical Assurance Association and State Farm Insurance Companies testified in support of this bill. The Department of Commerce and Consumer Affairs, Department of the Attorney General, and Hawaii Medical Service Association opposed this bill.

Section 431:13—103(a)(4)(B), Hawaii Revised Statutes, prohibits insurers from making the purchase of one class of insurance contingent upon the purchase of another class of insurance or an additional policy of the same class. This "anti-bundling" law is intended to protect consumers from being forced to purchase multiple types of insurance when the consumer is only interested in a specific policy.

In providing a limited exemption from the anti-bundling law, this bill ostensibly seeks to enhance the ability of smaller insurers to offer broader health insurance options at a lower cost to certain types of customers, such as sole proprietors and small businesses, while promoting competition in the insurance marketplace. However, your Committee received testimony opposing this measure as unfairly favoring health plans with less than five percent share of the health insurance market.

Accordingly, your Committee has amended this bill by:

- (1) Eliminating the requirement that a mutual benefit society occupy less than five percent of the health insurance market in order to qualify for the anti-bundling exemption;
- (2) Restricting the exemption to policies offered to an individual or sole proprietor; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee notes that this bill already has a defective date of January 1, 2050, that will facilitate 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. 2314, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2314, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Green, Ito and Sonson. (Representatives McKelvey and Thielen voted no.)

SCRep. 1073-08 Energy & Environmental Protection on S.B. No. 2845

The purpose of this bill is to direct the Legislative Reference Bureau (LRB) to conduct a study to recommend the most effective and efficient options for reorganizing the state agencies that are integral to successfully achieving state energy objectives and advancing the State's long-term energy strategy, and appropriates funds for this purpose.

The Department of Business, Economic Development, and Tourism, LRB, and the State Procurement Office provided comments.

Concerns were raised that this study may be premature given the efforts of the Hawaii Clean Energy Initiative and four working groups recently created to address various energy issues. However, your Committee believes this measure should be kept alive to ensure a vehicle is available if necessary to address or clarify agencies' roles and responsibilities identified by the working groups, if timely recommendations are made.

Further, the Chair of your Committee will be meeting with representatives from the National Conference of State Legislatures who may be willing to assist the Legislature in the study outlined in this measure. It is unknown at this time if a vehicle will be necessary for this partnership.

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. 2845, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

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

SCRep. 1074-08 Energy & Environmental Protection on S.B. No. 2932

The purpose of this bill is to increase funding available for energy conservation, alternative energy development, global warming initiatives, and other programs by increasing the Environmental Response Tax on petroleum.

The Conservation Council of Hawaii supported this bill. The Sierra Club – Hawaii Chapter supported this measure with amendments. The Department of Business, Economic Development, and Tourism (DBEDT) and Department of Health submitted comments.

Your Committee believes that the scope of this bill is too limited considering Hawaii's dependence on petroleum and the disastrous consequences that being energy deficient may have on the lives of Hawaii residents. Success in achieving the State's energy policy objectives depends on adequate funding and staff. In light of diminishing federal funds, a significant State financial commitment is necessary to support core energy programs and execute previously established energy mandates.

Accordingly, your Committee has amended this bill by replacing its contents with the substance of H.B. No. 3444, H.D. 2, to provide a more comprehensive approach to ensuring energy security, that, among other things, this bill:

- (1) Establishes an Energy Security Special Fund to fund DBEDT energy programs including those that carry out the State's long-term energy security objectives;
- (2) Makes an appropriation in an unspecified amount into, and out of Energy Security Special Fund;

- (3) Renames the Environmental Response Tax the Environmental Response and Energy Security Tax (ERES Tax) and allows it to be used for energy security programs;
- (4) Increases the ERES Tax by an unspecified amount per barrel of petroleum and distributes an unspecified amount of the tax to various funds, and the balance into the general fund.

Your Committee has further amended this bill by:

- (1) Specifying that the ERES Tax increase is from 5 cents to 20 cents; and
- (2) Specifying that the ERES Tax is to be distributed as follows:
 - (A) 5 cents into the Environmental Response Revolving Fund, with an unspecified amount to address concerns relating to drinking water;
 - (B) 12.5 cents into the Energy Security Special Fund; and
 - (C) 2.5 cents into the Energy Systems Development Special Fund.

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. 2932, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2932, S.D. 3, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 1075-08 Higher Education on H.R. No. 101

The purpose of this measure is to seek resolution to the serious decline in Hawaii's public health workforce by urging the University of Hawaii to rebuild the School of Public Health (SPH) by 2012 to expand the education and training of future public health workers.

Testimony in support of this measure was submitted by the Hawaii Public Health Association, Hui Ola Pono, and numerous concerned individuals.

Your Committee notes that many public health workers, especially those in leadership and middle management are approaching retirement within the next few years, and that the replacement workforce may lack formal public health training. Your Committee acknowledges that significant strides have been made by the University of Hawaii Office of Public Health Studies and the Department of Health toward the rebuilding of public health education, research, and training since the closure of the SPH in 2000. However, restoring the SPH would expand public health training and position our State's eligibility for maximum federal funding in research and education.

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

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1076-08 Higher Education on H.C.R. No. 119

The purpose of this measure is to seek resolution to the serious decline in Hawaii's public health workforce by urging the University of Hawaii to rebuild the School of Public Health (SPH) by 2012 to expand the education and training of future public health workers.

Testimony in support of this measure was submitted by the Hawaii Public Health Association, Hui Ola Pono, and numerous concerned individuals.

Your Committee notes that many public health workers, especially those in leadership and middle management are approaching retirement within the next few years, and that the replacement workforce may lack formal public health training. Your Committee acknowledges that significant strides have been made by the University of Hawaii Office of Public Health Studies and the Department of Health toward the rebuilding of public health education, research, and training since the closure of the SPH in 2000. However, restoring the SPH would expand public health training and position our State's eligibility for maximum federal funding in research and education.

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

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1077-08 Higher Education on H.R. No. 43

The purpose of this resolution is to request the Office of the Auditor to perform a management and financial audit of the University of Hawaii at Manoa's Athletic Department.

Testimony to hold this measure was submitted by the University of Hawaii System. A concerned individual provided oral testimony supporting the intent of this measure but expressed concern over the requirement to perform a ten-year audit within a six-month period.

Your Committee notes that the University will soon name a new athletic director (AD) and maintains that a management and financial audit would serve to improve the Department's operations and be of benefit to the new AD by identifying the Department's strengths and areas of concern, and providing a starting point to manage by.

Based on testimony provided, your Committee has amended this measure by changing the fiscal years of the audit to begin in 2003 and end in 2007.

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. 43, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 43, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1078-08 Higher Education on H.C.R. No. 43

The purpose of this concurrent resolution is to request the Office of the Auditor to perform a management and financial audit of the University of Hawaii at Manoa's Athletic Department.

Testimony to hold this measure was submitted by the University of Hawaii System. A concerned individual provided oral testimony supporting the intent of this measure but expressed concern over the requirement to perform a ten-year audit within a six-month period.

Your Committee notes that the University will soon name a new athletic director (AD) and maintains that a management and financial audit would serve to improve the Department's operations and be of benefit to the new AD by identifying the Department's strengths and areas of concern, and providing a starting point to manage by.

Based on testimony provided, your Committee has amended this measure by changing the fiscal years of the audit to begin in 2003 and end in 2007.

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. 43, 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. 43, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1079-08 Tourism & Culture on S.B. No. 3030

The purpose of this bill is to provide additional funding to support regulation of mixed martial arts (MMA) by:

- (1) Increasing the license fee imposed on gate receipts of professional MMA contests beginning July 1, 2009;
- (2) Clarifying that the two percent fee imposed on the gross receipts derived from simultaneous telecasts of a contest or event includes pay per view telecasts, and is not restricted to telecasts in Hawaii; and
- (3) Requiring each MMA promoter to pay an additional surcharge fee, at the discretion of the Department of Commerce and Consumer Affairs (DCCA), to be deposited into the Compliance Resolution Fund to cover the costs of implementing MMA regulations.

DCCA submitted comments.

Your Committee has amended this measure by changing its effective date to July 1, 2025, to encourage further discussion. 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 Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3030, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3030, 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 Berg, Herkes, Wakai and Ching.

SCRep. 1080-08 Health on S.B. No. 3083

The purpose of this measure is to make emergency appropriations to the Hawaii Health Systems Corporation to pay for operations and provision of current levels of service at a number of hospitals.

Specifically, this measure appropriates \$14,000,000 to be used by Hawaii Health Systems Corporation, excluding Maui Memorial Medical Center, to bring current accounts payable balances that are due to essential vendors. The measure also appropriates \$11,000,000 for Maui Memorial Medical Center to be expended only if it is unable to close on an operating loan by the effective date of the Act.

Testimony in support of this measure was submitted by the President, Finance Information Systems and Audit Committee, East Hawaii Region Chief Executive Officer and Board of Directors, West Hawaii Region Chief Executive Officer and Board of Directors, Kauai Regional System Chief Executive Officer and Board of Directors, and the Oahu Regional Chief Executive Officer and Board of Directors of the Hawaii Health Systems Corporation; Regional Chief Executive Officer of Maui Medical Center; Hawaii County Council; Hawaii Psychiatric Medical Association; and Faith Action for Community Equity.

Your Committee finds that it is necessary to make an emergency appropriation for Hawaii Health Systems Corporation to pay current and past due balances to essential vendors, reduce accounts payable, and allow operation and provision of current levels of health care service in its facilities throughout 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 is in accord with the intent and purpose of S.B. No. 3083, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1081-08 Health on S.B. No. 3031

The purpose of this measure is to clarify that the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs has the authority to investigate and prosecute cases involving the unlicensed sale of non-corrective contact lenses.

Specifically, this measure specifies that a dispensing optician's license is required for the dispensing and fitting of non-corrective contact lenses based on a prescription and for the sale or offer to sell non-corrective contact lenses.

Testimony in support of this measure was submitted by the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. The Board of Examiners of Optometry offered comments.

Your Committee finds that this measure will protect the health and safety of the public by amending state law to complement the applicable federal law and allowing the Regulated Industries Complaints Office to take action in the event that an unlicensed person sells or attempts to sell decorative non-corrective contact lenses.

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. 3031, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Awana, Rhoads and Ward.

SCRep. 1082-08 Health on S.B. No. 2064

The purpose of this measure is to permit an actively practicing psychologist who is in the full-time practice of treating patients to claim an exemption from service as a juror.

The Judiciary submitted testimony in opposition to this measure.

Although your Committee recognizes that all qualified state residents have an obligation to serve as jurors, state law currently allows an actively practicing physician or dentist to claim an exemption from jury duty. Your Committee also recognizes there is a shortage of mental health service providers in the State, particularly in rural and other under-served areas. This measure will allow psychologists in full-time practice to continue to provide mental health services to patients without an unplanned interruption that may interfere with treatment plans.

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. 2064, 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. (Representatives Awana and Cabanilla voted no.)

SCRep. 1083-08 Health on S.B. No. 3021

The purpose of this measure is to prohibit any person from operating as a viatical settlement provider or viatical settlement broker without being licensed by the Insurance Commissioner.

Furthermore, among other things, this measure prohibits any person from using viatical settlement contracts and providing disclosure statements unless the contracts and statements are filed with and approved by the Insurance Commissioner. Additionally, this measure requires viatical settlement providers and viatical settlement brokers to make certain disclosures to both the life insurance policy owner who wishes to sell the policy as well as the owner's life insurer.

Your Committee received testimony in support of this measure from the Insurance Division of the Department of Commerce and Consumer Affairs, the National Association of Insurance and Financial Advisors, and the American Council of Life Insurers. Testimony in support of the intent of the measure, with reservations, was received from the Life Settlements Institute.

Your Committee finds that a viatical settlement is the sale of a life insurance policy by the policy owner for an immediate cash benefit. It is a tool that typically can provide the policy owner who sells the policy with more funds that could have been realized if the policy had been surrendered to the insurer. The transactions usually involve terminally or chronically ill individuals (the viator) who want to sell their insurance policy to a third party (the secondary market) in return for a portion of the death benefit. This measure is based upon the Viatical Settlements Model Act of the National Association of Insurance Commissioners, and will protect policy owners, particularly seniors or the terminally or chronically ill, who may be interested in selling their life insurance policies.

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 S.B. No. 3021, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3021, 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 Awana, Belatti, Rhoads and Ward.

SCRep. 1084-08 Human Services & Housing on S.B. No. 2150

The purpose of this bill is to protect adults who are vulnerable and unable to fully care for themselves by expanding the types of abuse from which vulnerable adults are protected and expanding the authority to investigate allegations of abuse, neglect, and financial exploitation.

The Office of Hawaiian Affairs, City and County of Honolulu Department of Community Services Elderly Affairs Division, Catholic Charities Hawaii, National Association of Social Workers – Hawaii Chapter, Healthcare Association of Hawaii, Kokua Council, and a concerned individual testified in support of this bill. The Department of Human Services (DHS) provided comments.

Your Committee notes that DHS is optimistic that the provisions of this measure can be accomplished without an appropriation.

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. 2150, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1085-08 Human Services & Housing on S.B. No. 1343

The purpose of this bill is to further protect victims of domestic violence by including conduct by individuals in violation of restraining orders and protective orders as offenses of terroristic threatening in the first degree and assault in the second degree.

The Department of the Attorney General, Honolulu Police Department, Maui County Police Department, Hawaii County Police Department, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, Oahu VOICES, and a concerned individual testified in support of this bill. The City and County of Honolulu Department of the Prosecuting Attorney supported this measure with amendments. A concerned individual provided comments.

While domestic violence is often committed against women, men can also be victims of domestic violence. Your Committee emphasizes that this measure applies to all victims of domestic violence, irrespective of the victim's gender.

Your Committee has amended this bill by:

- (1) Conforming its provisions to the current statute; and
- (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. 1343, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1343, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1086-08 Human Services & Housing on S.B. No. 2977

The purpose of this bill is to bring the Child Support Enforcement Agency (CSEA) into compliance with federal law and improve CSEA actions. Specifically, this bill:

- (1) Clarifies in accord with federal law, the requirements for notice to custodial parents of state income tax refund setoffs;
- (2) Creates another assistant administrator position within CSEA to develop and implement comprehensive planning and policy;
- (3) Allows CSEA, on its own behalf, to request a hearing, instead of having to wait for one of the parties to make a request;

- (4) Allows CSEA to sign proposed administrative orders when no request for hearing is received by CSEA; and
- (5) Transfers positions from the County of Kauai to the Department of the Attorney General (AG).

The AG testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the provisions transferring positions to the AG, by changing the status of the positions from civil service exempt, to temporary civil service positions; and
- (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. 2977, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2977, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1087-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2196

The purpose of this bill is to authorize the Board of Land and Natural Resources to regulate commercially permitted uses of both governmental and private boating facilities, and commercial activity in private marinas.

The Ocean Tourism Coalition and numerous concerned individuals testified in support of this bill. The Department of Land and Natural Resources (DLNR) and a concerned individual provided comments.

Your Committee notes that the commercial activity covered by this bill is limited to activities engaged in for compensation, such as those providing guide services, charters, tours, and transportation to and from the location or locations for which such services are provided, and is not meant to include commercial fishing activity, which is already regulated by DLNR.

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. 2196, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1088-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2482

The purpose of this bill is to provide for the planning, design, and construction of a modern laboratory and office complex for the use of the Hawaii Institute of Marine Biology situated at Coconut Island in Kaneohe Bay by extending the lapse date of funds previously appropriated for this purpose.

The University of Hawaii (UH) System testified in support of this bill.

Your Committee finds that the new laboratory and office facilities will provide research opportunities that will benefit many students of various departments and programs conducting research at UH.

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. 2482, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Higher Education.

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

SCRep. 1089-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2423

The purpose of this bill is to direct the State to acquire the area commonly known as Turtle Bay Hotel and Resort and the surrounding property by appropriating funds for the purchase and authorizing the exercise of the State's eminent domain powers if an agreement for purchase cannot be reached.

The Governor, Ko'olauloa-North Shore Alliance, Surfrider Foundation Oahu Chapter, Sierra Club-Hawaii Chapter, Windward Ahupua'a Alliance, and numerous concerned individuals testified in support of this bill. The Trust for Public Land supported the intent of this measure. Several concerned individuals provided comments.

Your Committee finds that the purchase of Turtle Bay by the State is consistent with the desire of the community to preserve the rural character of the area while maintaining jobs for local residents. While the State does not intend to undertake hotel operations, purchase of the hotel and resort itself may be used to leverage the purchase of the surrounding property, which the State intends to set aside for preservation purposes. Accordingly, your Committee has amended this bill by clarifying that the purchase may include the hotel and resort.

In addition, your Committee has amended this bill by:

- (1) Expanding the sources of funds that may be used for the purchase of the property to include special funds; private funds, financing, or donations; federal funds; exchange of public lands; or any other means of financing; 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. 2423, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2423, S.D. 2, H.D. 1, and be referred to the Committee on Tourism & Culture.

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

SCRep. 1090-08 Education on S.B. No. 2004

The purpose of this bill is to assist in ensuring that children with disabilities receive an appropriate special education by:

- (1) Extending from 90 to 180 days the time allowed for their parents or guardians or the Department of Education (DOE) to request an impartial hearing regarding reimbursement for the costs of a child's unilateral placement in special education; and
- (2) Requiring DOE to submit to the Legislature, prior to the convening of each regular session, a report that provides the total number of requests for a due process hearing relating to the reimbursement of costs for a child's placement in special education.

The Hawaii Disability Rights Center, Community Children's Council Office, Autism Speaks, Autism Society of Hawaii, Hawaii Down Syndrome Congress, and several concerned individuals testified in support of this bill with amendments. The State Council on Developmental Disabilities supported the intent of this measure. The Department of the Attorney General, DOE, and Hawaii State Teachers Association opposed this bill. The Special Education Advisory Council offered comments.

Your Committee has amended this bill by:

- (1) Extending, from 180 calendar days to one year of a child's unilateral placement in special education, the time allowed for parents, guardians, or DOE to request an impartial hearing regarding reimbursement for the costs of a child's placement;
- (2) Requiring that rules adopted by DOE pertaining to the impartial hearing provide that the prevailing party is entitled to the reimbursement of expert witness and other relevant fees and expenses associated with the hearing; 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. 2004, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2004, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1091-08 Health/Human Services & Housing on S.B. No. 2790

The purpose of this measure is to appropriate an unspecified amount of funds for the Perinatal Addiction Treatment of Hawaii Clinic within the John A. Burns School of Medicine at the University of Hawaii.

The measure also repeals the sunset date for the clinic, making it a permanent program.

The Department of Human Services, University of Hawaii System, Perinatal Addiction Treatment of Hawaii, Hawaii Medical Association, Healthy Mothers Healthy Babies, Drug Policy Forum of Hawaii, and two individuals submitted testimony in support of this measure.

The Perinatal Addiction Treatment of Hawaii Clinic provides comprehensive prenatal, delivery, and postpartum care to women on Oahu who have a history of substance abuse. Other services include substance abuse counseling, pediatric and psychiatric care, and case management. The clinic's approach is to provide appropriate health care in a supportive, rather than punitive, environment. Since it opened in April 2007, the clinic has served over sixty-five women. In addition to its current services, the clinic is planning to hire a therapeutic child care provider to teach parenting skills to the women, and is seeking a pediatrician to provide primary care for the infants.

Your Committees find that this measure will further healthy family relationships and help prevent low-birth weight and premature births.

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. 2790, S.D. 2, and recommend that it pass Second Reading and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 1092-08 Health/Human Services & Housing on S.B. No. 3255

The purpose of this bill is to establish a long-term care commission to research what resources are necessary to meet state long-term care public policy goals and to recommend a program and funding mechanism that may provide long-term care services in the State.

Specifically, this bill designates members of the commission and sets their terms of office and requires the commission to:

- (1) Review available research, studies, and previously proposed programs;
- (2) Establish a purpose statement;
- (3) Prepare a five-year plan to accomplish the goals, including the recommendation of benchmarks;
- (4) Monitor federal legislation for changes that may impact the program;
- (5) Collaborate with interested stakeholders; and
- (6) Submit an interim report to the Legislature no later than twenty days prior to the convening of the 2009 regular session, and a final report to the Legislature no later than July 31, 2010.

This bill requires the University of Hawaii at Manoa, College of Social Sciences Public Policy Center to provide administrative support and staffing to facilitate the work of the long-term care commission. Finally, this bill appropriates an unspecified amount, to be expended by the University of Hawaii, to support the work of the long-term care commission.

Your Committees received testimony in support of this bill from the American Association of Retired Persons Hawaii, the Hawaii Government Employees Association, the Kokua Council, the Hawaii Alliance for Retired Americans, the Hawaii Aging Advocates Coalition, the Healthcare Association of Hawaii, University of Hawaii at Manoa, College of Social Sciences Public Policy Center, and twenty-two individuals. The State Procurement Office offered comments in opposition to statutory exemption from the State Procurement Code.

Upon further consideration, your Committees have amended this bill by:

- (1) Clarifying the mission and objectives of the commission relating to the development of a comprehensive plan to reform long-term care services and requiring development of a second plan to detail public and private financial resources;
- (2) Adding to the qualifications of the commission members to include expertise in management and deleting requirements for experience in long-term care or aging-in-place services, facilities planning and management, and medical or health services;
- (3) Adding a further duty of the commission to ensure that addressing the needs of the consumer is the paramount concern of policy development;
- (4) Clarifying six of the original eight elements of the purpose statement to be established by the commission;
- (5) Adding three additional elements to be included in the long-term care reform plan:
 - (A) Ensuring that all consumers needing and using long-term care services of any kind can easily access those services;
 - (B) Providing consumers with timely access to comprehensive information, including cost and quality information, about financing and service delivery options; and
 - (C) Ensuring that health, long-term care, and social services are connected through the use of timely, standardized assessments, care planning, and coordination, and case management. Special attention shall be given to pre-admission assessment and screening for those who need institutional services, smooth transitions between the current health and long-term care service systems and between institutional services and the community- or home-care services; and
- (6) Clarifying the nature of the interim and final reports to be submitted.

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. 3255, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3255, S.D. 2, H.D. 1, and be referred to the Committee on Higher Education.

Signed by all members of the Committee.

SCRep. 1093-08 Health/Human Services & Housing on S.B. No. 2151

The purpose of this measure is to expand the long-term care ombudsman program by adding three county ombudsman positions and by appropriating funds for those positions.

Specifically, this measure establishes one local ombudsman position in each of the counties of Hawaii, Maui, and Kauai within the Office of the Long-Term Care Ombudsman to work under the supervision of the Long-Term Care Ombudsman in achieving the goals of the program as mandated by the United States Administration on Aging through the Older Americans Act. The measure also clarifies that the state Long-Term Care Ombudsman, with the approval of the Executive Office on Aging, appoints the three local long-term care ombudsmen.

Your Committees received testimony in support of this measure from the Judiciary, Hawaii Government Employees Association, Hawaii Disability Rights Center, National Association of Social Workers, Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, the Kokua Council, and two hundred twenty individuals. The Executive Office on Aging offered comments.

Your Committees find that this bill, by providing three local, county-based long-term care ombudsmen on the neighbor islands, will help to ensure that the needs of long-term care residents of those counties are met with the same regular and timely access to services that is currently provided by the State Long-Term Care Ombudsman based on Oahu.

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. 2151, 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. (Representative and Cabanilla voted no.)

SCRep. 1094-08 Health/Human Services & Housing on S.B. No. 2047

The purpose of this measure is to provide a tax credit for home modifications to accommodate persons with disabilities or to facilitate aging-in-place.

Your Committee received testimony in support of this measure from the Department of Taxation, the Disability and Communication Access Board, the Hawaii Coalition of Caregivers, the American Association of Retired Persons Hawaii, the Hawaii Alliance for Retired Americans, the National Multiple Sclerosis Society, Hawaii Division, the Kokua Council, and two individuals. The state Council on Developmental Disabilities supported the intent of the measure and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that the State's aging population and individuals with disabilities need assistance to allow them to live on their own or live with family caregivers. Individuals who live on their own or with their families are happier and lead healthier and more productive lives. The State also benefits from this arrangement by deferring caregiving costs and avoiding institutionalization.

Your Committee further finds that many homes are not readily equipped with the safety and accessibility features necessary to care for elderly or disabled individuals. This measure provides tax incentives to make the necessary home modifications to assist elderly and disabled individuals to live on their own or live with family 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 S.B. No. 2047, 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.

SCRep. 1095-08 Health/Human Services & Housing on S.B. No. 2542

The purpose of this measure is to ensure that the community health center system remains financially viable and stable in the face of the increasing needs of the population of uninsured and underinsured residents.

Specifically, this measure establishes a process that enables community health centers and rural health clinics to receive supplemental medicaid payments and seek modifications to their scope of services. In addition, this measure appropriates funds to adequately pay federally qualified community health centers for direct medical care services for the uninsured.

Your Committees received testimony in support of this measure from Waikiki Health Center, Kalihi-Palama Health Center, Waimanalo Health Center, Hamakua Health Center, Inc., West Hawaii Community Health Center, Inc., Hawaii Primary Care Association, and Waianae Coast Comprehensive Health Center. The Department of Human Services and the Department of Health offered comments.

Your Committees find that community health centers across the State rely heavily upon Med-QUEST and state uninsured funding to support their services. Community health centers are vitally important to the State's ability to provide health care for all residents. This measure provides cost-effective support for Hawaii's health care system.

Your Committees have amended this measure by changing the effective date to January 1, 2050 to promote continued discussion of the matter.

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. 2542, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2542, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1096-08 Health on S.B. No. 1805

The purpose of this measure is to establish a professional licensure program for genetic counselors under the Department of Health.

More specifically, this measure would help protect public safety and welfare by prohibiting a provider that does not hold a license in Hawaii from using the letters "L.G.C." in connection with that person's name, and by preventing an unlicensed provider from acting as a "genetic counselor" without appropriate training and accurate information.

Your Committee received testimony in support of this measure from the March of Dimes Hawaii Chapter, a number of health care professionals including certified genetic counselors, physicians, a registered nurse, and two private individuals. The Hawaii Medical Association submitted testimony supporting the intent of the measure.

Your Committee finds that genetic counselors are health professionals with specialized graduate degrees, who often have more knowledge of genetic risks for disease and genetic testing techniques than primary care physicians. They often provide information and support to families who have members with birth defects or genetic disorders and to families who may be at risk for a variety of inherited conditions. Your Committee further finds that while the American Board of Genetic Counselors offers certification for genetic counselors who choose to take the national board examination, this is not a legally enforceable standard. Your Committee believes that genetic counselors play a central role in assisting patients and their physicians with genetic counseling services and that the licensure of genetic counselors will ensure that patients to receive adequate care and genetic services statewide.

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. 1805, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1097-08 Health on S.B. No. 2864

The purpose of this bill is to require the State Insurance Commissioner to submit to the 2010 Legislature a report on the adequacy of health plan reimbursements to physicians and hospitals in Hawaii, including other healthcare related issues such as physician salaries and healthcare and malpractice insurance premiums, and appropriating funds for the preparation of the report.

The Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and Hawaii Psychiatric Medical Association 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. 2864, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1098-08 Health on S.B. No. 3080

The purpose of this bill is to help provide a safe environment in state hospitals by requiring the Hawaii Health Systems Corporation (HHSC) to develop procedures for obtaining verifiable information regarding the criminal history of employees, persons seeking employment, or current or prospective contractors, providers, or volunteers for any of the HHSC's health facilities.

HHSC 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. 3080, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1099-08 Health on S.B. No. 3228

The purpose of this bill is to provide additional support for retired patient employees and patient laborers of Hansen's disease facilities by raising their pension amounts.

The Department of Health and several concerned individuals supported this bill.

The economic impact of this measure amounts to approximately \$3,000 annually. Your Committee supports any future legislative efforts that consider raising the pension amounts even further to assist the retired patient employees and patient laborers.

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. 3228 and recommends that it pass Second Reading and be referred to the Committee on Labor & Public Employment.

Signed by all members of the Committee.

SCRep. 1100-08 Health on S.B. No. 2373

The purpose of this bill is to require retailers and pharmacies to maintain an electronic log of sales of pseudoephedrine and related products and transmit the information to the Department of Public Safety (DPS) Narcotics Enforcement Division monthly.

DPS and the Hawaii Substance Abuse Coalition testified in support of this bill. The American Civil Liberties Union of Hawaii and a concerned individual opposed this measure. The Hawaii Food Industry Association and Retail Merchants of Hawaii provided comments.

Your Committee commends DPS on its work in controlling the illegal use of pseudoephedrine and related products. However, privacy rights are a concern and must be addressed as this measure moves through the legislative process.

Accordingly, your Committee has amended this bill by changing the effective date to January 1, 2050, to encourage further discussion. Other technical, nonsubstantive amendments were 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 S.B. No. 2373, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2373, S.D. 1, H.D. 1, and be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representative Awana. (Representatives Belatti and Bertram voted no.)

SCRep. 1101-08 Health on S.B. No. 3016

The purpose of this bill is to ensure competition and consumer choice regarding mutual benefit societies (MBS) by:

- (1) Establishing a cap on the deposit required to operate a MBS at not more than \$20,000,000; and
- (2) Deleting the benefit fund requirement under section 432:1-401, Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs testified in support of this bill.

Your Committee has amended this bill by:

- (1) Requiring the Insurance Commissioner to appoint an independent auditor to conduct a financial and operational audit of mutual benefit societies established in Hawaii prior to 1950;
- (2) Appropriating an unspecified sum for these audits; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3016, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3016, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee.

SCRep. 1102-08 Economic Development & Business Concerns on S.B. No. 2530

The purpose of this bill is to increase the availability of health care coverage for sole proprietors in Hawaii by requiring group health issuers to offer small group health plans to self-employed individuals. This bill also protects against adverse selection by limiting the timing of enrollment and reenrollment in the health plans.

Your Committee received testimony in support of the measure from the Department of Commerce and Consumer Affairs, Tradewind Painting, and Hawaii Medical Services Association. The Hawaii Association of Realtors and Chamber of Commerce of Hawaii supported the intent of the measure. Kaiser Permanente offered comments.

Your Committee finds that this bill will help reduce the number of uninsured among the some 12,000 sole proprietors and independent contractors in Hawaii who are not eligible to apply for coverage as a group.

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. 2530, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

SCRep. 1103-08 Economic Development & Business Concerns on S.B. No. 2824

The purpose of this bill is to improve the State's procurement policies by:

- (1) Requiring that private funds solicited by a government body to cover the costs of trade missions and goodwill trips be deposited into the general fund and disbursed by legislative appropriation;
- (2) Making the Comptroller an ex-officio nonvoting member of the State Procurement Policy Board (Board);
- (3) Mandating that the Board annually audit at least two randomly selected executive departments, divisions, or agencies, for compliance with the procurement code, and perform other audits based on a pattern of noncompliance; and
- (4) Requiring the Auditor to conduct a compliance, performance, and management audit of the State Procurement Office and purchasing agencies of the Executive Branch to determine compliance with the procurement code.

The Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism submitted testimony in opposition to this measure.

Your Committee feels that the Comptroller, as the only board member who represents state interests, is a valuable voting member of the Board. Also, your Committee recognizes that immediate, day-to-day expenditures are required during the State's business and goodwill trips, and questions the effectiveness of requiring a legislative appropriation in these situations.

Your Committee has amended this bill by:

- (1) Deleting the requirement that monies solicited for state missions and goodwill trips be deposited in the general fund and appropriated by the Legislature;
- (2) Deleting the section making the Comptroller an ex-officio nonvoting member of the Board;
- (3) Expanding the scope of annual procurement compliance audits to include all branches of state government;
- (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 S.B. No. 2824, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2824, S.D. 2, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representative Ching.

SCRep. 1104-08 Transportation on S.B. No. 3165

The purpose of this bill is to encourage the development of affordable rental housing and other services, programs, and facilities, including community health care facilities, within a mixed-use transit-oriented joint development project by exempting these projects from the general excise tax.

The Hawaii Association of REALTORS and Hawaii Alliance for Community-Based Economic Development testified in support of this bill. The Hawaii Housing Finance and Development Corporation (HHFDC) supported the intent of this measure. The Department of Taxation opposed this bill. The Department of Planning and Permitting of the City and County of Honolulu provided comments.

With the expected development of Honolulu's mass transit system, transit-oriented development along the transit route that takes into consideration and meets the different needs and concerns of the communities affected is of the utmost importance. Through thoughtful, deliberate, and careful planning, access to and development of affordable housing, senior care centers, health care centers and medical facilities, and other modes of transportation are just some of the factors that can lead to revitalized and sustainable communities along this corridor.

While your Committee recognizes of the concerns raised regarding this measure and agrees that passage of this bill may be premature given the fact that the City and County of Honolulu has only recently begun its transit-oriented development program, this measure follows a forward-thinking approach that attempts to promote careful and coordinated development and thus deserves further consideration and 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. 3165, S.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Human Services & Housing and Health.

Signed by all members of the Committee except Representatives Har, McKelvey, Nakasone, Sonson, Takumi and Meyer.

SCRep. 1105-08 Transportation on S.B. No. 2501

The purpose of this bill is to make permanent one source of revenue stream for the State Highway Fund (Fund) by repealing the specific dollar amounts of the daily rental motor vehicle surcharge tax and replacing them with an unspecified daily rate.

The Department of Transportation (DOT) testified in support of this bill. The Department of Taxation supported the intent of this measure. Catrala-Hawaii, Enterprise Rent-A-Car Company of Hawaii, Avis Rent a Car, and The Hertz Corporation in Hawaii supported this bill with amendments.

Act 223, Session Laws of Hawaii 1999, temporarily raised the motor vehicle rental surcharge tax from \$2.00 to \$3.00 per day to bolster lagging Fund revenues during difficult economic times. Although the economy has generally improved since that time, Fund revenues have not kept pace with expenditures for the operation, maintenance, and construction of state highways. This is due in part to rising fuel costs and decreasing fuel consumption resulting in decreased fuel tax revenues. With recent economic indicators suggesting a softening economy, which in turn may lead to difficulty in the generation of revenues for the Fund, prudent action needs to be taken to maintain Fund revenue levels. According to DOT, the additional surcharge provides approximately \$14 million in annual revenues for the Fund and loss of this revenue stream will have a serious impact on Hawaii's highways.

However, when the surcharge was enacted, it was not meant to be permanent. Your Committee finds that other solutions must be found to meet the financial needs of the Fund and future needs for additional revenues. Therefore, your Committee does not believe that making the rental motor vehicle surcharge tax permanent is a prudent approach to solving a complex problem. Thus, your Committee has amended this measure by deleting its contents and replacing it with language contained in H.B. No. 3196. As amended, this bill:

- (1) Extends the \$1 increase in the rental motor vehicle surcharge tax for an additional year;
- (2) Requires DOT to conduct a review and study of the financial requirements of the Fund; and
- (3) Requires DOT to report its findings, and proposed legislation for increasing revenue sources for the Fund to meet its ongoing and future needs, prior to the start of the Regular Session of 2009.

Other technical, nonsubstantive amendments have been made for consistency and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2501, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2501, S.D. 2, 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 Har, McKelvey, Nakasone, Sonson, Takumi and Meyer.

SCRep. 1106-08 Transportation on S.B. No. 3234

The purpose of this bill is to promote safety on Hawaii's roadways by, among other things

- (1) Requiring the installation of an ignition interlock device (ignition interlock) on the vehicle of a person arrested for driving under the influence of an intoxicant during the period that the person's license is revoked, pursuant to Chapter 291E, Hawaii Revised Statutes, to prevent the person from starting or operating a motor vehicle with more than a minimal breath alcohol concentration;
- (2) Allowing the person to be issued a permit to operate a vehicle equipped with an ignition interlock during the revocation period;
- (3) Amending various penalties and conditions related to driver's licenses and operating a vehicle under the influence of an intoxicant;
- (4) Providing for the certification of ignition interlocks and vendors, and funding the installation of devices for the indigent by surcharges on offenders and fees on vendors;
- (5) Establishing ignition interlock minimum standards; and
- (6) Establishing the Hawaii Ignition Interlock Implementation Task Force (Task Force) to prepare for the implementation of the ignition interlock device requirement and appropriating funds for the Task Force.

The Hawai'i County Council, Department of the Prosecuting Attorney of the City and County of Honolulu, Mothers Against Drunk Driving HAWAII (MADD), and Alliance of Automobile Manufacturers supported this bill. The Department of Health (DOH) and the Department of Transportation (DOT), supported the intent of this measure. The Department of the Attorney General and Judiciary offered comments on this bill.

Hawaii had the second highest percentage of alcohol-related traffic fatalities in the nation in 2005. Sadly, it appears that this statistic worsened despite efforts to curb this type of behavior because in 2006, Hawaii's alcohol-related traffic fatality rate of 52 percent was the highest in the nation. While enforcement of existing laws governing driving under the influence of an intoxicant (DUII) has had an impact on alcohol-related traffic fatalities, more needs to be done to bring about substantial improvement.

In response to these alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 legislative session, calling for the establishment of a working group to study the issue of ignition interlocks and make recommendations leading to legislation. This measure is a result of the initial work of the working group.

Ignition interlock devices prohibit a vehicle from being started until the driver passes a breathalyzer test, and may be one way to stop alcohol-impaired drivers from getting behind the wheel of their vehicle. Your Committee believes that installation of this device on motor vehicles of individuals arrested for DUII would be one step toward stopping the senseless tragedies of alcohol-related traffic fatalities.

However, this is a very complex issue that needs to be further discussed. Your Committee finds that the prior version of this bill which was previously passed by the House and sent to the Senate for further consideration addressed some of the concerns expressed by those supporting this measure. As such, your Committee has amended this bill by deleting its contents and replacing its language with the language contained in H.B. No. 3377. As amended this measure, among other things:

- (1) Requires the installation of an ignition interlock on the vehicle of a person arrested for driving under the influence of an intoxicant during the period that the person's license is revoked, pursuant to Chapter 291E, Hawaii Revised Statutes, to prevent the person from starting or operating a motor vehicle with more than a minimal breath alcohol concentration;
- (2) Allows the person to be issued a permit to operate a vehicle equipped with an ignition interlock during the revocation period;
- (3) Requires the cost of the installation and maintenance of an ignition interlock to be borne by the person arrested for DUII;
- (4) Establishes the Ignition Interlock Special Fund to be administered by DOT to fund the costs of installing and operating ignition interlock systems in vehicles of persons who are required to install these devices in their vehicles but who are indigent;
- (5) Changes the administrative revocation period from lifetime revocation to a minimum of five years and a maximum of ten years for a person whose record shows three or more prior alcohol enforcement or drug enforcement contacts during the five years preceding the date the notice of administrative revocation was issued;
- (6) Stipulates that a driver under the age of 18 who was arrested for DUII shall be subject to an additional penalty of being prohibited from driving during the period preceding the driver's eighteenth birthday, and thereafter be subject to the ignition interlock requirement until the license revocation is completed;
- (7) Allows the issuance of permits authorizing the use of vehicles without ignition interlock devices if the operation of a vehicle is required for employment and stipulating when permits shall not be issued;
- (8) Requires a one-year license revocation and installation of ignition interlock for a first DUII conviction in criminal court;
- (9) Increases license revocation periods for highly intoxicated drivers and repeat DUII offenders;
- (10) Requires DOH to establish standards and procedures for the certification of ignition interlocks and for vendors who install and maintain them;
- (11) Establishes the Task Force to plan for the implementation of ignition interlock provisions contained in this bill and prepare reports and recommendations to be submitted to the Legislature, including any additional proposed legislation to implement this program;
- (12) Correctly references the MADD Hawaii representative on the Task Force; and
- (13) Appropriates an unspecified amount of funds for the Task Force to carry out its responsibilities.

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. 3234, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3234, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, McKelvey, Nakasone, Sonson, Takumi and Meyer.

SCRep. 1107-08 Human Services & Housing on S.B. No. 2055

The purpose of this bill is to further protect children involved in Family Court proceedings by:

- (1) Requiring the Board of Family Court Judges to establish policies and procedures for child custody evaluators and administer certification procedures; and
- (2) Establishing licensing requirements and minimal education and experience requirements, and requiring continuing training for child custody evaluators.

The National Association of Social Workers – Hawaii Chapter, Oahu VOICES, and several concerned individuals testified in support of this bill. The Judiciary, Domestic Violence Action Center, and Hawaii State Coalition for Domestic Violence provided comments.

Your Committee has amended this bill by:

- (1) Replacing the Board of Family Court Judges with the Department of Commerce and Consumer Affairs as the administering and oversight entity;
- (2) Removing the exclusion of social workers employed by the Judiciary as child custody evaluators;
- (3) Allowing qualified attorneys to be child custody evaluators;
- (4) Exempting social workers employed by the Judiciary from the child custody evaluator licensing requirements; 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. 2055, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2055, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1108-08 Human Services & Housing on S.B. No. 2218

The purpose of this bill is to protect victims of domestic violence from their abusers by allowing the courts to:

- (1) Prohibit contact with the victim by establishing court-defined geographic exclusion zones; and
- (2) Require the defendant to wear a global positioning satellite (GPS) tracking device.

The Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, Oahu VOICES, and a concerned individual testified in support of this bill. The Judiciary provided comments.

The Judiciary submitted testimony stating that it would cost approximately \$5 per day to equip each person ordered to wear a GPS tracking device and that many of these offenders will be unable to pay for the costs associated with these devices. The estimated cost for one year is \$523,000. However, your Committee heard compelling testimony that if the whereabouts of a domestic violence victim is unknown, a GPS device is unnecessary, and may also serve as a means to alert the defendant on the location of the victim. The annual costs would be reduced by exempting these types of situations from the provisions of this measure.

Accordingly, your Committee has amended this bill by:

- (1) Not requiring defendants to wear a GPS device when the location of a protected party is unknown;
- (2) Adding an appropriation to pay for GPS devices and associated costs; and
- (3) Changing the effective date to "upon its approval," except for the appropriation effective on July 1, 2008, and allowing the Judiciary one year to establish and implement provisions relating to the GPS devices.

Other technical, nonsubstantive amendments were 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 S.B. No. 2218, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2218, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1109-08 Human Services & Housing on S.B. No. 3051

The purpose of this bill is to ensure that individuals in social service programs are adequately protected by requiring the Department of Human Services (DHS) to conduct criminal history record checks on individuals who provide services to the retired and senior volunteer program and making other clarifying amendments.

The Office of Youth Services (OYS) opposed this bill. DHS provided comments.

Both OYS and DHS expressed concerns regarding the ability to designate a contractor to conduct criminal history record checks. DHS's testimony states that without the ability to designate this task, at least six new positions would be needed, at a minimal estimated cost of \$271,892.88.

Accordingly, your Committee has amended this bill by allowing a designee of DHS to conduct the criminal history record checks. Other technical, nonsubstantive amendments were 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 S.B. No. 3051, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3051, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1110-08 Human Services & Housing on S.B. No. 2214

The purpose of this bill is to expand the Bridge to Hope Program by clarifying that participants be in the First-to-Work Program and allowing participants to be enrolled in vocational education programs.

The Department of Human Services, University of Hawaii (UH), Office of Hawaiian Affairs, National Association of Social Workers – Hawaii Chapter, Domestic Violence Action Center, Legal Aid Society of Hawaii, UH Bridge to Hope Coordinator, and many 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 S.B. No. 2214, 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 Belatti.

SCRep. 1111-08 Higher Education on S.B. No. 2333

The purpose of this bill is to maximize learning opportunities in the fields of engineering and technology to equip our youth with the knowledge needed to compete effectively in today's economy by establishing a working group within the University of Hawaii (UH) to discuss the feasibility of creating an institute of robotics or related institute or program within the College of Engineering at UH at Manoa.

The Department of Education and a concerned individual testified in support of this bill. UH testified in support of 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. 2333, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1112-08 Higher Education on S.B. No. 2668

The purpose of this bill is to improve the operations of the Candidate Advisory Council (Council) for the Board of Regents (BOR) of the University of Hawaii. Specifically, this bill:

- (1) Requires at least 12 BOR members to reside in the geographic areas that they represent;
- (2) Requires the Governor to notify the Council of vacancies on the BOR in a timely manner;
- (3) Requires the Council to submit names of candidates for a seat on the BOR within 60 days following a vacancy;
- (4) Clarifies the requirement for the Council's submission of names of BOR candidates to the Governor;
- (5) Makes confidential all information required by the Council regarding BOR candidates; and
- (6) Appropriates funds to establish a permanent administrative position to support the work of the Council.

The Council 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 S.B. No. 2668, 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 Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1113-08 Consumer Protection & Commerce on S.B. No. 2782

The purpose of this bill is to deter scrap metal theft by including metal beer kegs in the scope of laws intended to prevent copper theft.

Anheuser Busch Companies testified in support of this bill. The Honolulu Police Department opposed this measure. The Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments.

According to testimony received by your Committee, metal beer kegs are being stolen at escalating rates, in large part because they can be redeemed for fast cash at scrap dealerships.

Act 197, Session Laws of Hawaii 2007, made copper theft a Class C felony and strengthened documentation requirements for scrap dealers purchasing copper. These provisions are in effect until July 1, 2009. By including beer kegs in these provisions, this bill will help deter another rising form of scrap metal theft.

However, there are concerns from law enforcement that this bill would be difficult to enforce because it applies to beer kegs that are iron-carbon alloy products with at least ten percent chromium content. It may be arduous and time-consuming for police to determine whether a beer keg meets this standard.

Accordingly, your Committee has amended this bill by:

- (1) Changing the definition of beer kegs to mean metal containers marked as the property of a brewery manufacturer, including kegs on which the markings have been rendered illegible, but excluding beverage containers falling under the Deposit Beverage Container Program in Part VIII of Chapter 342G, Hawaii Revised Statutes;
- (2) Changing the references to beer kegs, from "stainless steel beverage containers" to "stainless steel beer kegs"; 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. 2782, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2782, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Green, Ito and Sonson.

SCRep. 1114-08 Public Safety & Military Affairs on S.B. No. 2783

The purpose of this bill is to provide incentives for homeowners to protect against the devastation of natural disasters by, among other things:

- (1) Including earthquake resistive devices in the State Loss Mitigation Grant Program (Program);
- (2) Requiring the Insurance Commissioner to develop criteria for earthquake resistive devices;
- (3) Requiring the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA) to develop a loss mitigation public awareness campaign;
- (4) Appropriating funds for a testing facility to test safe room designs and other wind resistant devices;
- (5) Extending the Program for three years; and
- (6) Authorizing the Insurance Commissioner to determine standards for earthquake and wind resistive installation procedures and engineering content.

The Department of Civil and Environmental Engineering of the University of Hawaii at Manoa, Hawaii Lumber Products Association, Structural Engineering Association of Hawaii, Hawaii Security Shutters, Inc., Simpson Strong-Tie Company, Inc., and a concerned individual supported this bill. DCCA and Hawaii Association of Realtors opposed this measure. A concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783, 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 Nakasone, Souki and Finnegan.

SCRep. 1115-08 Public Safety & Military Affairs on S.B. No. 2958

The purpose of this bill is to allow for the statewide deployment, operation, and maintenance of wireless enhanced 911 systems, as well as future system enhancements at a reduced cost to the public by decreasing from 66 cents to 43 cents per month the surcharge paid by customers on each mobile radio service connection for the Wireless Enhanced 911 Fund (Fund).

The Department of Accounting and General Services and Honolulu Police Department testified in support of this bill.

Your Committee has amended this measure by deleting its contents and replacing it with the language contained in H.B. No. 3367, H.D. 2. As amended, this measure ensures the proper administration of the Fund by requiring the Legislative Auditor to conduct a financial and management audit of the Fund.

Other technical, nonsubstantive amendments were made 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. 2958, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2958, 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 Nakasone, Souki and Finnegan.

SCRep. 1116-08 Energy & Environmental Protection on S.B. No. 2774

The purpose of this bill is to support recycling efforts at schools by establishing a task force within the University of Hawaii College of Social Sciences Public Policy Center to conduct an evaluation of the recycling options available to schools, including a summary feasibility report related to the:

- (1) Establishment of a school recycling program;
- (2) Use of reverse vending machines; and
- (3) Feasibility of providing recycling bins in schools throughout the state.

The Department of Education supported this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2774, S.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Higher Education and Education.

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

SCRep. 1117-08 Energy & Environmental Protection on S.B. No. 2571

The purpose of this bill is to encourage recycling at schools by:

- (1) Requiring the Department of Education (DOE), in partnership with the Department of Health (DOH), to develop and implement a three-year food waste recycling pilot project (Pilot Project) in one or more schools; and
- (2) Appropriating funds out of the Environmental Management Special Fund (Special Fund) for the Pilot Project.

The Hawaii Food Industry Association supported this bill and suggested amendments. DOH opposed this measure. DOE submitted comments.

Testimony submitted by DOH indicated that using Special Fund monies may jeopardize the ability of DOH to operate its solid waste regulatory and planning program.

Therefore, your Committee has amended this measure by changing the source of funding for the appropriation to the general fund. In addition, technical, nonsubstantive amendments were made for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2571, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2571, S.D. 1, H.D. 1, and be referred to the Committee on Education.

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

SCRep. 1118-08 Energy & Environmental Protection on S.B. No. 3082

The purpose of this bill is to make the regulation of air emissions from commercial passenger vessels by the Department of Health (DOH) more effective and less cumbersome by:

- (1) Deleting air pollution provisions from Chapter 342D, Hawaii Revised Statutes (HRS), the water pollution law, that covers water pollution and air pollution from commercial passenger vessels; and
- (2) Incorporating those air pollution provisions and any supporting provisions into a new part of Chapter 342B, HRS, that relates to air pollution control.

DOH supported this bill with amendments.

In light of testimony submitted by DOH during the public hearing on this matter, your Committee has amended this measure by:

- (1) Providing an exception to the prohibition on incinerator operations by large commercial passenger vessels in any Hawaiian port by allowing incinerator operations for testing purposes as requested by the U.S. Coast Guard or DOH;
- (2) Providing that any violation of the limits on visible emissions due to an equipment failure must be reported to DOH within 72 hours after the equipment failure;
- (3) Repealing existing provisions allowing DOH, through an independent contractor, to monitor the opacity of air emissions of a commercial passenger vessel;
- (4) In lieu of item (3), requiring all commercial passenger vessels' stack exhaust plumes to be monitored by a transmissometer, or by an alternative methodology as approved by the Director of Health;

- (5) Repealing the existing provisions that require DOH, by rule, to establish fines for illegal air emissions; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3082, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3082, S.D. 1, H.D. 1, and be referred to the Committees on Tourism & Culture and Transportation.

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

SCRep. 1119-08 Energy & Environmental Protection on S.B. No. 2991

The purpose of this bill is to:

- (1) Refine our state's energy resources law to achieve improved energy resource coordination; and
- (2) Provide policy guidance to:
 - (A) Clarify the nature and relationship of energy data analyses to the State's energy program; and
 - (B) Delineate distinctive analytic roles and responsibilities of state agencies conducting energy data functions.

The Department of Business, Economic Development, and Tourism supported this bill and suggested amendments. The Office of Information Practices provided comments.

Your Committee has amended this bill by:

- (1) Applying the confidentiality provisions to all information determined confidential by the State Energy Resources Coordinator (Coordinator) as authorized by law, instead of limiting the provisions to information exempt from public disclosure under the government records exceptions of section 92F-13, Hawaii Revised Statutes (HRS);
- (2) Consistently referring to the Coordinator, instead of the director of Business, Economic Development, and Tourism to be consistent with Chapter 196, HRS, relating to energy resources;
- (3) Clarifying that the purpose of the provisions regarding the treatment of confidential information by the Coordinator is to effectuate the purposes of Chapters 125C (relating to the procurement, control, and distribution, and sale of petroleum products) and 196, HRS, and other relevant laws;
- (4) Clarifying that the Coordinator's agents who receive and are required to protect confidential information are the agents whom the Coordinator designates as authorized representatives; and
- (5) Making technical amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2991, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2991, S.D. 2, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1120-08 Energy & Environmental Protection on S.B. No. 2843

The purpose of this measure is to encourage the recycling of electronic devices in Hawaii by establishing a program within the Department of Health to collect and recycle electronic devices.

Specifically this measure:

- (1) Allows electronic device manufacturers to implement their own collection and recycling programs, subject to approval by the Department of Health;
- (2) Establishes a monitoring and enforcement program to ensure compliance with the electronic device recycling program;
- (3) Funds the electronic device recycling program through the environmental management fund; and
- (4) Bans disposal of discarded electronic devices in solid waste facilities in the State beginning January 1, 2011.

Your Committee received testimony in support of this measure from the University of Hawaii, Kauai County Department of Public Works, City and County of Honolulu Department of Environmental Services, Retail Merchants of Hawaii, and the Sierra Club. Comments on this measure were submitted by the Department of Health, Thomson, Inc., Tax Foundation of Hawaii, Hewlett Packard Company, and Covanta Energy Group. The Information Technology Industry Council submitted testimony opposing this measure.

Your Committee finds that a mandatory recycling program for computers, televisions, and other electronic devices would have a significant impact on reducing the amount of solid waste in Hawaii's waste stream and landfills. Since many of these devices contain potentially toxic materials, removing them from landfills greatly reduces the chances that these materials will leach into the soil and groundwater. In addition, recycling electronic devices would result in the reuse of many valuable components and materials that are found in these devices.

Upon further consideration, your Committee has replaced the contents of this measure with those in House Bill No. 2509 in order to preserve the intent of the bill to institute an electronic device recycling program that is compatible with programs being developed by national electronic device manufacturers. Your Committee believes that it will be less burdensome for businesses and taxpayers in Hawaii if the State's electronic device recycling practices conform more closely to a national standard. In addition, adherence to a national standard will help facilitate business between manufacturers of electronic devices and businesses in Hawaii, thereby making it easier to return products from Hawaii for disposal on the mainland.

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. 2843, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2843, 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 Magaoay, Saiki and Thielen.

SCRep. 1121-08 Public Safety & Military Affairs on S.B. No. 2341

The purpose of this bill is to increase the accountability of out-of-state vendors who contract with the State to house Hawaii prisoners. Specifically, this bill requires that a private correctional facility that:

- (1) Contracts with the State to hold Hawaii prisoners in a private prison;
- (2) Enters into a government-to-government contract to hold Hawaii prisoners in a private prison; or
- (3) Enters into an interstate compact agreement under which Hawaii inmates are held in a prison in another state,

must comply with Hawaii's Uniform Information Practices Act or "Sunshine Law" in disclosing information to the public.

The Community Alliance on Prisons, Drug Policy Forum of Hawaii, and a concerned individual supported this bill. The Office of Information Practices supported the intent of this measure. The Department of Public Safety (PSD) opposed this bill.

Your Committee finds that despite the \$50,000,000 in public funds expended annually for contracts with a private company to house Hawaii inmates in mainland prisons, these contracts have never been posted on PSD's website and information concerning these contracts and their enforcement has never been accessible to the public. While Chapter 92F, Hawaii Revised Statutes (HRS), mandates that most information obtained or produced by the State be available for public scrutiny, there is some confusion as to what extent governs the availability of information from private companies that contract with the State. Therefore, your Committee respectfully requests the Committee on Judiciary to look further into this matter to determine if more clarification is needed in Chapter 92F, HRS, as to how it pertains to such matters.

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. 2341, 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 Nakasone, Nishimoto, Souki and Finnegan.

SCRep. 1122-08 Public Safety & Military Affairs on S.B. No. 2189

The purpose of this bill is to provide an effective mechanism for restoring and preserving the natural resources of Makua Valley by:

- (1) Establishing the Makua Valley Reserve and limiting its future uses in perpetuity to cultural, archaeological, and environmental preservation, restoration, protection, and education;
- (2) Establishing the Makua Valley Reserve Commission to exercise authority over the control and management of Makua Valley;
- (3) Creating penalties for violating laws or rules applicable to the Makua Valley Reserve;
- (4) Establishing that, upon expiration of the Army's lease on Makua Valley, the valley shall be held in trust as part of the public land trust, and providing for the valley's transfer to a sovereign native Hawaiian entity upon the entity's recognition by the United States and the State; and
- (5) Establishing the Makua Valley Rehabilitation Trust Fund.

The Conservation Council for Hawaii and several concerned individuals supported this bill. A concerned individual supported the intent of this measure. The Office of Hawaiian Affairs (OHA) and a member of Malama Makua supported this bill with amendments. The Department of Land and Natural Resources opposed this measure. Earthjustice submitted comments.

Your Committee finds that it is important to protect the cultural and natural resources of Hawaii for the people of this state. Some concerns were brought to light by OHA regarding the practical implementation of this measure, specifically in regards to section -6 of the proposed chapter, which provides for the responsibilities and duties of the Makua Valley Reserve Commission. Therefore, your Committee on Water, Land, Ocean Resources & Hawaiian Affairs is respectfully requested to look further into this matter to ensure the effective protection of Makua Valley.

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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2189, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2189, S.D. 1, H.D. 1, and be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs.

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

SCRep. 1123-08 Energy & Environmental Protection on S.B. No. 3001

The purpose of this bill is to facilitate the administration of the energy-efficiency and demand-side management program and services (Program) by, among other things:

- (1) Clarifying the administration, use, and non-public money status of the public benefits fee that supports the Program;
- (2) Clarifying that the Public Benefits Fee Administrator is not a public utility; and
- (3) Aligning the language in the Public Utilities Commission law relating to its processes and procedures to the Program and its third-party administrator organization structure.

The Department of Business, Economic Development, and Tourism, Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, and Hawaii Energy Policy Forum testified in support of this bill.

Your Committee emphasizes that the funds supporting the Program are collected from electric utility ratepayers and are not State or public funds derived from taxpayers, and therefore, should not be subject to appropriation by the Legislature for any purpose.

Concerns were raised about the applicability of the Hawaii Public Procurement Code to the Program. Given the time constraints, this issue could not be resolved. However, the Consumer Advocate pointed out that at least one other state using a public benefits fee administrator has experienced significant challenges in operating and administering energy-efficiency and demand-side management programs as a result of complying with its state procurement code. Specifically, it appears that the payment of customer rebates and hiring of persons to assist in the operation and administration of such programs have been delayed by adherence to procurement processes, hindering a public benefits fee administrator's ability to effectively and efficiently administer such programs.

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. 3001, 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 Magaoay, Saiki and Thielen.

SCRep. 1124-08 Human Services & Housing/Energy & Environmental Protection on S.B. No. 644

The purpose of this measure is to require the installation of solar energy or comparable renewable energy devices for heating water in all new residential construction, beginning January 1, 2009.

This measure would also expand the existing income tax credit for solar thermal energy systems installed in homes originally constructed prior to January 1, 2009.

Your Committees received testimony in support of this measure from Americans for Democratic Action - Hawaii Chapter, Conservation Council for Hawaii, CTS Foundation, Life of the Land, Sierra Club, Oahu Group, Sierra Club, Hawaii Chapter, Maui Sierra Club, and thirty-seven individuals. Testimony in opposition was received from the Building Industry Association, The Gas Company, Gentry Companies, Hawaii Solar Energy Association, and Mark Development, Inc. Comments were received from the Department of Business, Economic Development, and Tourism, the Department of Taxation, HECO, and the Hawaii Association of Realtors.

Your Committees find that crude oil prices have risen from \$65 per barrel to over \$100 per barrel in less than one year. With no relief under the State's direct control in sight and with the State's economic viability in jeopardy, the State must seriously consider requiring the installation of solar thermal systems to heat water in all new single-family dwellings. Doing so will accelerate the installation of this type of energy saving device, to the benefit of owners and renters of newly constructed homes. It will also mitigate the impact that reliance on fossil fuels has on our environment and economy. A government mandate of this technology in new home construction effectively shifts energy policy

from government investment in this technology via tax credits to a required investment by the private sector in renewable energy that will result in greater benefit to the public at large.

Upon further consideration, your Committees have amended this measure by:

- (1) Postponing until January 1, 2010, the requirement that all new construction involve installation of a solar thermal device for water heating;
- (2) Limiting the requirement to single-family detached residences;
- (3) Permitting a substitute renewable energy device for water heating if it meets certain criteria;
- (4) Requiring that the solar thermal water heating device or substitute be installed by a licensed installer in compliance with applicable standards and be suitably sized for the application;
- (5) Restricting the income tax credit for installation of solar thermal energy systems in single-family homes to homes constructed prior to January 1, 2010; and
- (6) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 644, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 644, S.D. 3, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 1125-08 Health/Human Services & Housing on S.B. No. 2830

The purpose of this bill is to support the work of the Joint Legislative Committee on Family Caregiving (JLCFC) to ensure the necessary community resources for caregivers by, among other things:

- (1) Extending the work of JLCFC to June 30, 2009, to allow it more time to complete its mission;
- (2) Changing JLCFC's name to the Joint Legislative Committee on Aging in Place (JLCAP);
- (3) Expanding JLCAP's mandate to include aging in place issues related to family caregiving;
- (4) Requiring Hawaii's Aging and Disability Resource Center to report to the JLCAP on implementation of its physical site in Hawaii County and its virtual site in the City and County of Honolulu;
- (5) Requiring JLCAP to design a cash and counseling project for non-Medicaid eligible elders;
- (6) Providing JLCAP with an exemption from the State Procurement Code to contract with a qualified consultant to assist in designing a cash and counseling program;
- (7) Appropriating funds to JLCAP;
- (8) Allowing the Executive Office on Aging's (EOA) Kupuna Care Program to include overnight, weekend, and emergency respite services, as well as provide grants to caregivers and for home modification;
- (9) Increasing the operating budget of EOA to increase program funding for the Kupuna Care Program;
- (10) Establishing a Grandparents Raising Grandchildren Task Force (Task Force) to:
 - (A) Focus on the needs and issues of grandparents raising grandchildren; and
 - (B) Submit an interim report to JLCAP before the 2009 Regular Session and a final report prior to June 30, 2009;
 and
- (11) Appropriating funds to EOA to continue its respite inventory project in collaboration with the University of Hawaii's School of Social Work.

The State Council on Developmental Disabilities, Office of Hawaiian Affairs, Kokua Council, Hawaii Alliance for Retired Americans, Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, Catholic Charities Hawaii, AARP Hawaii, National Multiple Sclerosis Society, Healthcare Association of Hawaii, Hawaii Coalition of Caregivers, and several concerned individuals supported this bill. The Executive Office on Aging supported the intent of this measure.

Your Committees have amended this bill by inserting a new "PART VI" to this measure to increase payments for the level of care for adult residential care homes types I and II, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes by seven percent from \$641.90 to \$686.83 for level I and from \$749.90 to \$802.39 for level II.

Your Committees have further 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 S.B. No. 2830, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2830, S.D. 2, H.D. 1, and be referred to the Committee on Legislative Management.

Signed by all members of the Committee.

SCRep. 1126-08 Health on S.B. No. 2160

The purpose of this bill is to minimize the census at the Hawaii State Hospital and promote community-based health services for forensic patients by:

- (1) Requiring the Department of Health (DOH) to submit an annual report on forensic patients;
- (2) Requiring yearly court status hearings for individuals ordered to be conditionally released or hospitalized as an inpatient by the mental health court;
- (3) Reducing the minimum length of hospitalization from 90 to 30 days for individuals who are recommitted after conditional release;
- (4) Providing an alternative of further temporary hospitalization through a court hearing instead of proceeding immediately to a revocation of a person's conditional release when a person is in violation of the conditions of the conditional release; and
- (5) Making an appropriation for mental health court operations and expansion.

The Department of the Attorney General, Hawaii Health Systems Corporation, Hawaii Government Employees Association, Hawaii Disability Rights Center, and several concerned individuals supported this bill. DOH supported the intent of this measure.

Your Committee made available on the Legislature's website, a proposed House Draft 1 for this bill. This draft adds a new part to this bill to address rising medical malpractice insurance costs by, among other things:

- (1) Limiting noneconomic damages in medical tort actions;
- (2) Allowing plaintiffs to petition the court for consideration of "catastrophic damages";
- (3) Defining "economic damages";
- (4) Allocating economic and noneconomic damages in medical tort actions in proportion to a health care provider's share of negligence or other fault; and
- (5) Providing that medical torts only include the rendering of professional services for which the health care provider is licensed and that are not restricted by the licensing agency or licensed hospital.

The Governor; Hawaii Medical Association; Healthy Mothers, Healthy Babies Coalition of Hawaii; HAPI Physicians' Indemnity Plan; Kona-Kohala Chamber of Commerce; Hawaii Pacific Health; Maui Health Care Initiative Task Force; and numerous concerned individuals supported the amendment to this bill.

Your Committee has amended this bill as proposed in the proposed House Draft 1, by placing the original provisions of the bill in a Part I and placing the medical malpractice provisions in a Part II. Technical, nonsubstantive changes were made to the provisions of Part I for clarity, consistency, and style.

Your Committee has further amended this bill by inserting as Part III, the contents of H.B. No. 3157, H.D. 1, that allows medical services providers to receive payments directly from health insurers, health maintenance organizations, and mutual benefit societies, rather than attempting to collect from the patient when the provider does not have a contract with the insurer.

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. 2160, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2160, 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. (Representatives Rhoads, Shimabukuro and Tokioka voted no.)

SCRep. 1127-08 Consumer Protection & Commerce on S.B. No. 2292

The purpose of this bill is to provide that an agreement to operate or share an automated teller machine (ATM) may not prohibit, limit, or restrict the right of the owner or operator of the ATM to charge a person a transaction fee.

The Hawaii Bankers Association and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs and a concerned individual submitted comments.

Under certain business agreements, non-U.S. ATM cardholders are exempt from ATM transaction fees currently paid by domestic cardholders for the same service. These exemptions in some instances may result in higher ATM fees to offset reduced revenue sources. This bill would allow the cost of ATM services to be subsidized by both domestic and non-U.S. cardholders.

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. 2292 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, Ito, Sonson and Souki.

SCRep. 1128-08 Human Services & Housing on S.B. No. 2839

The purpose of this bill is to establish the Public Financial Education and Asset-Building Task Force (Task Force) to develop policy recommendations related to helping Hawaii's families achieve their financial goals.

The Department of Education, Office of Hawaiian Affairs (OHA), Legal Aid Society of Hawaii, Aloha United Way, and Hawaii's Alliance for Community-Based Economic Development testified in support of this bill. The Department of Human Services supported the intent of this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Adding representatives from OHA, the Department of Hawaiian Home Lands, and financial education organizations to the Task Force;
- (2) Clarifying that the House of Representatives is the expending agency for the appropriation; 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. 2839, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2839, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1129-08 Health on S.B. No. 2397

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Castle Medical Center.

Specifically, this bill authorizes, effective July 1, 2050, the issuance of special purpose bonds in an amount not to exceed \$30,000,000 to finance and refinance equipment purchases and for the construction and improvement of the health care facilities of Castle Medical Center and its nonprofit affiliates, including:

- (1) Remodeling and rebuilding existing health care facilities;
- (2) Constructing new health care facilities;
- (3) Purchasing new equipment;
- (4) Refinancing debt; and
- (5) Other related projects for Castle Medical Center and its nonprofit affiliates.

Your Committee received testimony in support of this bill from the President and Chief Executive Officer and a physician staff member of Castle Medical Center, Healthcare Association of Hawaii and Hawaii Building and Construction Trades Council.

Your Committee finds that the authorization to issue special purpose revenue bonds to assist Castle Medical Center is in the public interest and for the public health, safety, and general welfare. This measure will improve access to health care in the State, particularly for residents of windward Oahu.

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. 2397, 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1130-08 Health on S.B. No. 3074

The purpose of this measure is to appropriate emergency funds for fiscal year 2007-2008 for the collective bargaining costs of City and County of Honolulu's emergency medical service personnel.

Your Committee received testimony in support of this measure from the Department of Health and the City and County of Honolulu's Emergency Services Department.

This measure appropriates \$707,539 from the state general fund and \$1,100,000 from the emergency medical services special fund to cover the collective bargaining costs of City and County of Honolulu emergency medical services personnel for fiscal year 2007-2008. Your Committee finds that this measure will enable the City and County of Honolulu to provide uninterrupted emergency ambulance services to all residents of Oahu.

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. 3074, 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1131-08 Health on S.B. No. 3027

The purpose of this measure is to provide uniformity in the practice and regulation of doctors of osteopathy and doctors of medicine.

More specifically, this measure includes osteopathic physicians in chapter 453, Hawaii Revised Statutes, relating to the regulation of doctors of medicine, and repeals chapter 460, Hawaii Revised Statutes, relating to the regulation of osteopathic physicians, thereby consolidating all provisions into a single regulatory law.

Testimony in support of this measure was received from the Board of Medical Examiners and the Hawaii Medical Association.

Your Committee finds that the Board of Medical Examiners currently regulates both osteopathic and medical doctors. Because osteopathic and medical doctors are subject to almost identical education and training requirements to practice as physicians, allowing the Board to regulate both professions through chapter 453, Hawaii Revised Statutes, would promote uniformity and equality in regulating doctors who differ only in their approach to their practice as physicians.

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. 3027, 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1132-08 Health on S.B. No. 3028

The purpose of this measure is to strengthen acupuncture licensing requirements.

Specifically, the bill requires applicants for state acupuncture licensure who graduated from foreign institutes to have their educational information evaluated by a board-approved professional crediting evaluator, at the applicant's own expense, as a prerequisite to taking the acupuncture examination and receiving an acupuncture practitioner's license.

Your Committee received testimony in support of this measure from the Board of Acupuncture.

Your Committee finds that this measure will assist the Board of Acupuncture in ensuring that all applicants for acupuncture examination and licensing, whether educated in the United States or abroad, meet equivalent standards of acupuncture education.

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. 3028 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1133-08 Health on S.B. No. 2396

The purpose of this bill is to provide increased protection to state mental health care workers by making the assault of a person employed at a state-operated or state-contracted mental health facility a class C felony.

The Department of Health (DOH), Hawaii Government Employees Association, and a concerned individual supported this bill. The Queen's Medical Center supported this measure with amendments. The Judiciary submitted comments.

Your Committee has amended this bill by adding as a Part II of this measure, provisions to minimize the census at the Hawaii State Hospital and promote community-based health services for forensic patients by:

- (1) Requiring DOH to submit an annual report on forensic patients;
- (2) Requiring yearly court status hearings for individuals ordered to be conditionally released or hospitalized as an inpatient by the mental health court;

- (3) Reducing the minimum length of hospitalization from 90 to 30 days for individuals who are recommitted after conditional release;
- (4) Providing an alternative of further temporary hospitalization through a court hearing instead of proceeding immediately to a revocation of a person's conditional release when a person is in violation of the conditions of the conditional release; and
- (5) Making an appropriation for mental health court operations and expansion.

Your Committee has further 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2396, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2396, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1134-08 Health on H.R. No. 90

The purpose of this resolution is to provide more information and weigh the pros and cons of using products containing chemicals such as phthalates and aspartame by consumers especially young children.

The Office of Hawaiian Affairs supports this resolution. The Department of Health opposed this resolution. The Hawaii Food Industry Association, American Chemistry Council, and the Hawaii Dietetic 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 concurs with the intent and purpose of H.R. No. 90 and recommends that it be referred to the Committees on Consumer Protection & Commerce and Higher Education.

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

SCRep. 1135-08 Health on H.C.R. No. 108

The purpose of this concurrent resolution is to provide more information and weigh the pros and cons of using products containing chemicals such as phthalates and aspartame by consumers especially young children.

The Office of Hawaiian Affairs supports this concurrent resolution. The Department of Health opposed this concurrent resolution. The Hawaii Food Industry Association, American Chemistry Council, and the Hawaii Dietetic 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 concurs with the intent and purpose of H.C.R. No. 108 and recommends that it be referred to the Committees on Consumer Protection & Commerce and Higher Education.

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

SCRep. 1136-08 Health on H.R. No. 114

The purpose of this resolution is to address the concerns regarding the safety of aspartame and it's effects on people by forming a work group to explore the need to ban or better label products containing the artificial sweetener aspartame.

The Mission Possible International, and several concerned individuals supported this resolution. The Department of Health, American Beverage Association, Hawaii Food Industry Association, Calorie Control Council opposed this resolution. The Hawaii Dietetic Association submitted comments.

Your Committee finds that the dialogue is valuable on this issue and it is important to continue this dialogue by passing this measure. Some questions were raised regarding the membership on the work group, therefore, the Committee on Economic Development & Business Concerns and Consumer Protection & Commerce are respectfully requested to look into this matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 114 and recommends that it be referred to the Committees on Economic Development & Business Concerns and Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Tokioka. (Representatives Awana, Cabanilla and Rhoads voted no.)

SCRep. 1137-08 Health on H.C.R. No. 132

The purpose of this concurrent resolution is to address the concerns regarding the safety of aspartame and its effects on people by forming a work group to explore the need to ban or better label products containing the artificial sweetener aspartame.

The Mission Possible International, and several concerned individuals supported this concurrent resolution. The Department of Health, American Beverage Association, Hawaii Food Industry Association, Calorie Control Council opposed this concurrent resolution. The Hawaii Dietetic Association submitted comments.

Your Committee finds that the dialogue is valuable on this issue and it is important to continue this dialogue by passing this measure. Some questions were raised regarding the membership on the work group, therefore, the Committee on Economic Development & Business Concerns and Consumer Protection & Commerce are respectfully requested to look into this matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132 and recommends that it be referred to the Committees on Economic Development & Business Concerns and Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Tokioka. (Representatives Awana, Cabanilla and Rhoads voted no.)

SCRep. 1138-08 Education on S.C.R. No. 57

The purpose of this measure is to request that Pahoehoe High and Intermediate School rename and dedicate its gymnasium in honor of former Representative Helene H. Hale.

The Department of Education Ka'u/Kea'au/Pahoehoe Complex Area, Representative Faye Hanohano, Hawaii county Councilmember Bob Jacobson, and a concerned individual submitted testimony in support of the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57 and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Chang and Wakai.

SCRep. 1139-08 Public Safety & Military Affairs on S.B. No. 2258

The purpose of this bill is to ensure the integrity of the Wireless Enhanced 911 Board (Board) by requiring that quorum for the Board be met by the physical presence of at least six members at a meeting and removing the option to vote by proxy.

The Department of Accounting and General Services and Honolulu Police Department 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. 2258, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1140-08 Public Safety & Military Affairs on S.B. No. 2720

The purpose of this bill is to support the operations and duties of the State Fire Council by authorizing the State Fire Council to employ an administrator and an administrative assistant.

The State Fire Council, Honolulu Fire Department, Department of Fire and Public Safety of the County of Maui, and Legislative Information Services 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. 2720, 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 Nakasone, Souki and Finnegan.

SCRep. 1141-08 Public Safety & Military Affairs on S.B. No. 2083

The purpose of this measure is to improve the operation and effectiveness of the State Council for Interstate Adult Offender Supervision by:

- (1) Increasing the membership of the State Council for Interstate Adult Offender Supervision;
- (2) Authorizing the Judiciary to assess a fee on applications made by a parolee or probationer for a transfer to Hawaii; and

- (3) Establishing one full-time coordinator position under the Judiciary, to help carry out the duties of the Interstate Compact for the Supervision of Adult Offenders.

The Judiciary and Hawaii Paroling Authority supported this bill. The Community Alliance on Prisons 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. 2083, 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 Nakasone, Souki and Finnegan.

SCRep. 1142-08 Public Safety & Military Affairs on S.B. No. 2344

The purpose of this bill is to ensure the successful reentry of inmates back into the community upon their release from prison by requiring:

- (1) The Department of Public Safety (DPS) to establish performance indicators to ensure that DPS is in compliance with the Community Safety Act of 2007; and
- (2) Quarterly reports to the Legislature, using key performance indicators, such as inmate drug test failure rates, educational goals achieved, reentry plans, post-incarceration employment, victim restitution paid, and recidivism rates.

The Office of Hawaiian Affairs, Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals supported this bill. The Department of Public Safety opposed 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. 2344, 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, Nishimoto, Souki and Finnegan.

SCRep. 1143-08 Public Safety & Military Affairs on S.B. No. 2155

The purpose of this bill is to clarify that amounts received by TriWest as reimbursements of costs or advances made pursuant to a contract for the administration of the federal TRICARE program are exempt from the Hawaii general excise tax.

TriWest and the Hawaii Medical Service Association supported this bill. The Department of Taxation 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 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. 2155, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2155, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Nishimoto, Souki and Finnegan.

SCRep. 1144-08 Public Safety & Military Affairs on S.B. No. 2546

The purpose of this bill is to assist adult offenders with their reintegration back into society and offer a full continuum of services that are accessible during and immediately after their incarceration by establishing a mandatory comprehensive offender reentry system under the supervision of the Department of Public Safety (PSD).

The Drug Policy Forum of Hawaii, Community Alliance on Prisons, and Hawaii Substance Abuse Coalition and a concerned individual supported this bill. PSD supported the intent of this measure. The Department of Human Services and Maui Economic Opportunity, Inc.'s Being Empowered and Safe Together Reintegration Program 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 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. 2546, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2546, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1145-08 Human Services & Housing on S.B. No. 2129

The purpose of this bill is to authorize the Policy Advisory Board for Elder Affairs (PABEA) to testify before the Legislature on any matter related to its duties and responsibilities.

Kookia Council, PABEA, AARP, and several concerned individuals testified in support of this bill. The Department of Health and Executive Office on Aging 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 S.B. No. 2129, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Awana, Cabanilla and Ward.

SCRep. 1146-08 Human Services & Housing on S.B. No. 3172

The purpose of this bill is to allow an individual who qualified for a rent supplement up to 180 days from the approval of the application to find a rental unit.

The Office of Hawaiian Affairs and a concerned individual testified in support of this bill. The Hawaii Public Housing Authority 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. 3172 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla and Ward.

SCRep. 1147-08 Human Services & Housing on S.B. No. 2226

The purpose of this bill is to continue to support relationships between fathers and their children by appropriating Temporary Assistance for Needy Families (TANF) funds for the State Commission on Fatherhood (Commission) to hire staff, fund operations, establish an office, and pay for expenses.

Several concerned individuals supported this bill. The Commission supported this measure with an amendment. The Department of Human Services provided comments.

Your Committee notes the concerns of several testifiers regarding the use of TANF funds for purposes of this measure.

Accordingly, your Committee has amended this bill by changing the funding source from TANF funds to general funds. Other technical, nonsubstantive amendments were 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 S.B. No. 2226, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2226, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla and Ward.

SCRep. 1148-08 Human Services & Housing on S.B. No. 2141

The purpose of this bill is to protect residents and visitors of public housing by prohibiting the consumption of liquor in common areas of public housing projects.

The Hawaii Public Housing Authority and numerous concerned individuals testified in support of this bill. The Honolulu Police Department opposed this measure.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "common area"; and
- (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. 2141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2141, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1149-08 Human Services & Housing on S.B. No. 3050

The purpose of this bill is to require caregivers, social workers, and certain advocacy service providers to report suspected abuse of a dependent adult to the Department of Human Services (DHS).

DHS, the Attorney General (AG) and Office of Hawaiian Affairs testified in support of this bill. The National Association of Social Workers – Hawaii Chapter supported the intent of this measure. The Hawaii Disability Rights Center and a concerned individual provided comments.

Your Committee notes concerns raised in DHS's and the AG's testimony which recommends citing the Code of Federal Regulations with regard to the consent of the dependent adult or their guardian or legal representative, and respectfully requests the Committee on Judiciary to further examine that issue.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "caregiver"; and
- (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. 3050, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3050, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Cabanilla, Tokioka and Ward.

SCRep. 1150-08 Human Services & Housing on S.B. No. 3060

The purpose of this bill is to allow a public housing eviction board hearing to be conducted without the presence of the tenant-member, as long as a quorum is present.

The Hawaii Public Housing Authority (HPHA) and Office of Hawaiian Affairs testified in support of this bill. The Legal Aid Society of Hawaii opposed this measure. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Requiring that members of the eviction board appointed by HPHA be approved by the resident advisory board; and
- (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. 3060, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3060, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1151-08 Agriculture on S.B. No. 2584

The purpose of this bill is to establish processed and unprocessed honey as an agricultural commodity under the Grades and Standards Law.

The Hawaii Farm Bureau Federation supported this bill. The Hawaii Beekeepers' Association supported this bill with amendments. The Department of Agriculture supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2584, 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 Berg, Yamashita and Meyer.

SCRep. 1152-08 Agriculture on S.B. No. 2639

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 Aquaculture Association, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Hawaiian Marine Enterprises 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. 2639, 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, Yamashita and Meyer.

SCRep. 1153-08 Agriculture on S.B. No. 2956

The purpose of this bill is to help ensure that the remaining Hawaii dairy producers are paid a price commensurate with the quality of milk they produce. Specifically, this bill:

- (1) Specifies that all Hawaii-produced fresh milk up to 100 percent of the total production quotas for all milk sheds in the state shall be deemed to be used as Class I milk, except under certain conditions;
- (2) Repeals existing provisions that prohibit producers or producer distributors from having milk production quotas that exceed 20 percent of the total quotas established in the state; and
- (3) Requires the Department of Agriculture (DOA) to:
 - (A) Work with stakeholders in the Hawaii milk production industry to develop short- and long-term initiatives to ensure the availability of fresh milk for Hawaii; and
 - (B) With the University of Hawaii College of Tropical Agriculture and Human Resources, prepare and submit a written report and strategic plan setting forth the recommended short- and long-term initiatives to the Legislature.

DOA, Hawaii Farm Bureau Federation, Cloverfield Dairies, and Island Dairy, 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 S.B. No. 2956, 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, Yamashita and Meyer.

SCRep. 1154-08 Education on S.B. No. 2254

The purpose of this bill is to find a more user-friendly, cost-effective alternative to traditional textbooks by directing the Department of Education (DOE) to conduct a feasibility study on the conversion of hardcover textbooks to e-books for use in the public schools and report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2009.

DOE 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. 2254 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, Wakai and Ching.

SCRep. 1155-08 Higher Education/Health on S.B. No. 2146

The purpose of this bill is to support the activities of the Hawaii State Center for Nursing (Center) in conducting research and implementing strategies to recruit and retain nurses. This bill:

- (1) Allows the Center to continue receiving funds by extending by five years, the sunset date for the deposit of certain nursing fees into the Center for Nursing Special Fund;
- (2) Requires two of the three representatives of the Hawaii Nurses' Association who sit on the advisory board of the Center to represent the professional component, and one representative to be a non-managerial staff nurse; and

- (3) Requires the Center's advisory board to submit reports to the Legislature prior to the 2009 Regular Session as follows:
- (A) An interim report on the progress and findings of the five-year longitudinal study being conducted by the Center regarding the turnover of new graduate registered nurses and best practices in nurse retention; and
 - (B) A report on funding alternatives that will enable the Center to continue its operations and services.

The University of Hawaii at Manoa, Board of Nursing, Hawaii Pacific Health, Healthcare Association of Hawaii, The Queen's Medical Center, Hawaii State Center for Nursing, Statewide Consortium for Nursing, Hale Kipa, Inc., and many concerned individuals testified in support of this bill. The Hawaii Government Employees Association supported the intent of this measure. Several concerned individuals opposed this bill.

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. 2146, 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 Belatti, Saiki, Shimabukuro, Tokioka, Wakai and Ward.

SCRep. 1156-08 Higher Education on S.B. No. 2660

The purpose of this bill is to increase the participation of Hawaii taxpayers in the State's college savings program by providing a state income tax deduction for contributions made to the program.

The Securities Industry and Financial Markets Association testified in support of this bill. The Department of Taxation, Department of Budget and Finance, and Hawaii Association of Independent Schools supported the intent of this measure. The Tax Foundation of Hawaii and Upromise Investments, Inc., offered comments.

Your Committee has amended this bill by:

- (1) Increasing the maximum amount of the income tax deduction as follows:
 - (A) From \$5,000 to \$10,000 for individual taxpayers;
 - (B) From \$5,000 to \$10,000 for married couples filing separate returns; provided that each spouse may claim a deduction of up to \$10,000; and
 - (C) From \$10,000 to \$20,000 for married couples filing joint returns, individuals filing as the head of the household, or individuals filing as surviving spouses;
- (2) Clarifying that the aggregate deduction amount for each taxpayer cannot exceed \$75,000 for each college savings account;
- (3) Providing that amounts withdrawn from a college savings account and not used for a qualified tuition program will be added to the taxpayer's taxable income for that year, with certain exceptions; 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 S.B. No. 2660, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2660, 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 Takumi.

SCRep. 1157-08 Higher Education on S.B. No. 3250

The purpose of this bill is to assist the University of Hawaii (UH) in meeting its strategic goals and improving accountability within the system by requiring UH to:

- (1) Prepare and provide to the Legislature an annual incentive and performance report in November of each year, beginning in 2008, that reflects the success of UH's previous incentive and performance plans and proposes a plan for the following year. The report will assist the Legislature in appropriating up to two percent of UH's annual budget to facilitate its strategic plan and related state goals;
- (2) Include within its strategic plan, measurable goals and performance-based outcome data; and
- (3) Collect and maintain benchmark data in keeping with section 304A-2001, Hawaii Revised Statutes.

UH testified in support of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that the annual incentive and performance report is to reflect the success of UH's performance in its strategic outcome performance measures;
- (2) Specifying that the first annual incentive and performance report is to be a pilot report submitted in November 2009;
- (3) Expressing the Legislature's intent to seek to provide increased flexibility and stability of funding to UH as long as UH is accountable for meeting performance standards; 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 S.B. No. 3250, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3250, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1158-08 Higher Education on S.B. No. 2263

The purpose of this bill is to promote openness in government by requiring the University of Hawaii (UH) to disclose information regarding certain proposed compensation or changes in compensation in open meeting. Specifically, this bill:

- (1) Requires UH to disclose in open meeting for purposes of public comment, proposed compensation or changes in compensation for executive/managerial positions in the UH system that are filled by excluded employees; and
- (2) Requires the UH Board of Regents (Board) to disclose in open meetings for the purpose of public comment, all documents regarding expenditures and related changes, and to make available to the public at least six calendar days before the meeting, all expenditure requests, proposals, and any other budgetary documents used by the Board at the meeting.

A concerned individual testified in support of this bill. UH opposed this measure. The Office of Information Practices and University of Hawaii Professional Assembly offered comments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2263, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Shimabukuro, Takumi and Wakai.

SCRep. 1159-08 Human Services & Housing/Higher Education on S.B. No. 2246

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

- (1) Increasing to 26 years-of-age, the age limit for eligibility for a higher education board allowance;
- (2) Removing the eligibility requirement that a former foster youth attend or be accepted to attend an accredited institution of higher learning within one school year after completing high school;
- (3) Providing former foster youth who are between the ages of 22 and 26 on July 1, 2008, and who are already attending an accredited institution of higher learning, the opportunity to apply for a higher education board allowance within a year; and
- (4) Extending the maximum benefit length to 60 cumulative months.

The Department of Human Services, Office of Hawaiian Affairs, Children's Alliance of Hawaii, Inc., Hawaii Foster Parent Association, Hawaii Family Forum, Hawaii Catholic Conference, Legal Aid Society of Hawaii, Foster Family Programs of Hawaii, Hale Kipa, Hawaii Foster Youth Coalition, and many concerned individuals testified in support of this bill.

Your Committees note that DHS is not requesting additional funding to implement this measure.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2246, 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 Belatti, Cabanilla, Mizuno, Takumi and Tokioka.

SCRep. 1160-08 Human Services & Housing/Health on S.B. No. 2219

The purpose of this bill is to ensure women's health care between pregnancies by expanding QUEST coverage for post-partum and interconception care services for up to six months post-pregnancy.

The Hawaii Primary Care Association, March of Dimes Hawaii Chapter, and a concerned individual testified in support of this bill. The Department of Human Services (DHS) provided comments.

Your Committees note that DHS's testimony states that to receive federal reimbursement, an amendment to the Hawaii Medicaid State Plan and QUEST 1115 Waiver will need to be obtained. DHS estimates that approximately \$4,370,388 would be needed to serve the population of pregnant women under QUEST. An estimated 3,300 pregnant women are served by QUEST in a year.

Accordingly, your Committees have amended this bill by:

- (1) Ensuring that individuals are qualified for a full six months post-pregnancy, instead of "up to" six months; and
- (2) Delaying the start of the interconception care coverage for one year, beginning July 1, 2009.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

Your Committees note that the delayed start date is to allow DHS time to obtain the necessary approvals from the federal government. DHS may return to the Legislature next year to request more time, if necessary.

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. 2219, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2219, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Awana, Cabanilla, Mizuno and Ward.

SCRep. 1161-08 Human Services & Housing/Health on S.B. No. 3185

The purpose of this bill is to help protect women from breast and cervical cancer by making changes to the Breast and Cervical Cancer Treatment Program, including:

- (1) Changing its name to the Comprehensive Breast and Cervical Cancer Control Program (Program);
- (2) Requiring the Department of Human Services (DHS) to collaborate with the Department of Health (DOH) to provide screening, education, and outreach, regardless of a woman's eligibility for Medicaid coverage;
- (3) Requiring DHS to transfer \$150,000 from its funds to DOH for cervical and breast cancer screening, education, and outreach; and
- (4) Requiring DOH and DHS to submit an annual report to the Legislature on the expenditure of funds for the Program.

The American Cancer Society Hawaii Pacific, Inc., and Hawaii Chapter – American Physical Therapy Association testified in support of this bill. DHS and DOH supported the intent of this measure.

Your Committees note that DHS and DOH need more time to find a viable solution to some of the issues contained in this bill and to work on an amended version of a bill or a memorandum of understanding. Due to time constraints, your Committees are recommending passage of this bill, without amendments, to encourage further discussion and to allow the parties time to find an appropriate solution. Your Committees may consider granting prior concurrence to future committees at a later time, upon DHS and DOH's arriving at a mutually acceptable agreement.

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. 3185, 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, Mizuno and Ward.

SCRep. 1162-08 Human Services & Housing/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3174

The purpose of this bill is to comprehensively address Hawaii's affordable housing shortage by:

- (1) Extending the sunset date of the 50 percent conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from June 30, 2008, to June 30, 2013;
- (2) Appropriating funds for third party review and certification of building permits for affordable housing projects;
- (3) Establishing and appropriating funds to the Self-help Housing Technical Assistance Trust Fund (Trust Fund) to assist with technical assistance expenditures up to \$20,000 per self-help housing unit; and
- (4) Changing the Hawaii Housing Finance and Development Corporation's (HHFDC) revenue bond ceiling from \$400,000,000 to an unspecified amount.

HHFDC, the Office of Hawaiian Affairs, Catholic Charities Hawaii, Hawaii Family Forum, Hawaii Catholic Conference, EAH Housing, Hawaii Island Community Development Corporation, and a concerned individual testified in support of this bill. The Department of Budget and Finance, Department of Taxation (DOTAX), City and County of Honolulu Department of Community Services, Hawaii Association of REALTORS, and Tax Foundation of Hawaii provided comments.

DOTAX testimony states that the extension of the conveyance tax allocation proposed in this measure will result in an estimated \$9,400,000 in additional funds to the RHTF.

Your Committees have amended this bill by:

- (1) Changing the name of the Trust Fund to the "Self-help Housing Fund"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 3174, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3174, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Magaoay, Saiki and Thielen.

SCRep. 1163-08 Human Services & Housing on S.B. No. 2054

The purpose of this bill is to guide the courts when awarding custody and visitation rights in disputes over a minor child. This bill clarifies the existing standards followed by the courts by providing criteria to help determine what constitutes the best interest of the child.

Several concerned individuals testified in support of this bill. The Hawaii State Coalition Against Domestic Violence supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that a separation can be a type other than marital;
- (2) Clarifying that parents need to demonstrate certain actions, rather than have the ability to meet some of the criteria; 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. 2054, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2054, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1164-08 Human Services & Housing on S.B. No. 2212

The purpose of this bill is to protect minors by strengthening the laws prohibiting sexual exploitation of a minor and certain activities associated with human trafficking.

The Department of the Attorney General, Crime Victim Compensation Commission, Honolulu Police Department, Hawaii Family Forum, Hawaii Catholic Conference, Soroptimist International in Hawaii, Safe Zone Foundation, Girl Fest Hawaii, Sex Abuse Treatment Center, Oahu VOICES, and a concerned individual testified in support of this bill. The City and County of Honolulu Department of the Prosecuting Attorney supported this measure with an amendment. The Domestic Violence Action Center and Na Loio – Immigrant Rights and Public Interest Legal Center (Na Loio) provided comments.

Your Committee notes the concerns raised by Na Loio in its written testimony that this measure may go beyond human trafficking by criminalizing behavior that doesn't involve a commercial activity. Na Loio also suggests incorporating language similar to the Model State Anti-Trafficking Criminal Statute. Concerns were also raised with regard to the use of the term "prostitution" and the ability to share privileged communication with case management workers.

Your Committee has amended this bill by:

- (1) Changing the term "prostitutes" to "prostituted persons" because trafficking victims are not deemed to be "prostitutes" voluntarily; and
- (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. 2212, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2212, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1165-08 Transportation on S.B. No. 3119

The purpose of this bill is to make an emergency appropriation of \$21,253,032 in additional State Highway Fund (Fund) moneys for fiscal year 2007-2008 for the Department of Transportation (DOT) to use for the state highway system.

DOT, the General Contractors Association of Hawaii, Hawaii Transportation Association, and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this measure.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in her Governor's Message No. 243 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

Your Committee finds that by extending the rental motor vehicle surcharge tax and increasing the fuel tax on gasoline and diesel oil by \$0.01 per gallon during the Regular Session of 2007, approximately \$21,200,000 in additional revenues was deposited into the Fund. However, DOT was not authorized to spend these additional revenues. The expenditure of these revenues is necessary to ensure continued maintenance and operation of the state highway system, a key factor in the standard of living of all of Hawaii's residents.

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. 3119, 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 Nakasone, Sonson, Meyer and Pine.

SCRep. 1166-08 Energy & Environmental Protection on S.B. No. 2986

The purpose of this bill is to provide additional incentives to invest in renewable technologies by making the existing Renewable Energy Technologies Income Tax Credit refundable for taxpayers:

- (1) Whose adjusted gross income is equal to or less than an unspecified amount; or
- (2) Whose income is derived from state retirement benefits or pension benefits that are exempt from income taxation.

The Department of Taxation, Hawaii Energy Policy Forum, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Alliance, Sierra Club - Hawaii Chapter, and several concerned individuals 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, 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 Magaoay, Saiki and Thielen.

SCRep. 1167-08 Energy & Environmental Protection on S.B. No. 3190

The purpose of this bill is to decrease the state's dependence on fossil fuels for energy production and increase its use of renewable resources by authorizing the issuance of special purpose revenue bonds, not to exceed \$35,000,000, to assist Sopogy, Inc., to plan, build, and operate a solar farm power plant on the island of Oahu.

The Hawaii Solar Energy Association and Hawaii Renewable Energy Alliance testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3190 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1168-08 Judiciary on S.B. No. 2562

The purpose of this bill is to encourage voter participation by allowing a registered voter to request permanent absentee voter status and receive an absentee ballot for all subsequent elections conducted in that precinct.

The Office of Elections, AARP Hawaii, and several concerned individuals testified in support of this bill. The Office of the County Clerk of the County of Kauai 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. 2562, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Waters, Yamane and Thielen.

SCRep. 1169-08 Judiciary on S.B. No. 2785

The purpose of this bill is to increase, from \$20,000 to \$30,000, the maximum amount of debt, amount, damages, or value of the property claimed in civil actions over which district courts have jurisdiction.

The Collection Law Section of the Hawaii State Bar Association offered comments.

Your Committee acknowledges that the maximum civil action value amount for district court jurisdiction has not been changed in many years. Your Committee is concerned, however, that raising the jurisdiction amount may result in further overloading the district court system. No testimony was received from the Judiciary on this measure, and your Committee hopes that some input from those in a position to assess the potential impact of this measure on the court system will be provided by the Judiciary to the Committee on Finance.

As affirmed by the record of votes of 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. 2785, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Waters, Yamane and Thielen.

SCRep. 1170-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2464

The purpose of this bill is to designate the Hawaiian monk seal, one of only two mammals endemic to Hawaii, as the State mammal.

The Department of Land and Natural Resources, Office of Hawaiian Affairs, Conservation Council for Hawaii, Hanalei Watershed Hui, and numerous concerned individuals testified in support of this bill.

Your Committee finds that the Hawaiian monk seal is endangered and currently numbers only about 1,200. This bill is necessary to raise awareness of and increase protection measures for the Hawaiian monk seal.

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. 2464 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 Carroll, Magaoay and Saiki.

SCRep. 1171-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2465

The purpose of this bill is to protect and preserve the Hawaiian Monk Seal, one of only two mammals endemic to Hawaii, by designating the third Saturday in April as Hawaiian Monk Seal Day.

The Department of Land and Natural Resources, Conservation Council for Hawaii, and numerous concerned individuals testified in support of this bill.

Your Committee finds that the Hawaiian Monk Seal is endangered, currently numbering only 1,200. This bill is necessary to support the outreach and education activities essential to their survival.

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. 2465 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 Carroll, Magaoay and Saiki.

SCRep. 1172-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2644

The purpose of this bill is to strengthen historic preservation laws by requiring that a State Historic Preservation Officer appointed by the Governor meet the standards established by the United States Secretary of the Interior and have professional experience related to historic preservation in Hawaii. In addition, this bill requires the Governor to immediately advise the President of the Senate and the Speaker of the House of Representatives of the appointed individual and the appointee's qualifications.

The Office of Hawaiian Affairs, Oahu Island Burial Council, Society for Hawaiian Archaeology, Hui Malama I Na Kupuna O Hawaii Nei, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, and a concerned individual 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 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. 2644, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1173-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3206

The purpose of this bill is to preserve and protect Kawai Nui Marsh, containing internationally recognized natural and cultural resources, by creating a Kawai Nui Advisory Council to serve as a public forum where the protection and preservation of the resource can be discussed.

The Office of Hawaiian Affairs and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. A member of the Hawaii Audubon Society 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 S.B. No. 3206, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1174-08 Agriculture/Public Safety & Military Affairs on H.C.R. No. 75

The purpose of this concurrent resolution is to improve disaster preparedness planning and coordination by requesting the Department of Agriculture (DOA) to establish a working group to evaluate Hawaii's food readiness and food security in response to natural or man-made disasters.

The East Oahu County Farm Bureau and several concerned individuals supported this measure. The Hawaii Food Industry Association (HFIA) supported the intent of this measure. DOA and the Department of Defense (DOD) submitted comments.

Upon further consideration, your Committees have amended this concurrent resolution by:

- (1) Deleting the existing membership of the working group and establishing a revised 13-member working group as follows:
 - (A) One member from the Civil Defense Division of DOD;
 - (B) One member representing the Hawaii Farm Bureau Federation;
 - (C) One member from each county department of public works;
 - (D) The Director of Health, or the Director's designee;
 - (E) The Director of Transportation, or the Director's designee;
 - (F) The Chairperson of the Board of Agriculture, or the Chairperson's designee;
 - (G) One representative from the United States Department of Agriculture;
 - (H) One representative from the Hawaii Tourism Authority;
 - (I) One member representing HFIA; and
 - (J) One member from the Hawaii food industry representing both food distributors and food suppliers;
- (2) Requesting the working group to hold meetings for the purpose of reporting to the Legislature on the current state of affairs in Hawaii concerning food readiness and food security and to make certain recommendations relating to food availability, food refrigeration, and training;
- (3) Conforming the list of entities receiving a certified copy of this measure to reflect the revised list of members composing the working group as specified in paragraph (1); 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 Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 75, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 75, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Chang, Luke, Nakasone, Sonson, Takumi, Ching, Finnegan, Meyer and Pine.

SCRep. 1175-08 Human Services & Housing/Health on H.R. No. 20

The purpose of this concurrent resolution is to urge the Department of Health (DOH) to provide adult residential care home operators with greater levels of service and consideration to assist them in providing care for adults.

The National Federation of Filipino American Associations Region XII, Filipino American Citizens League, Filipino Coalition for Solidarity, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, United Filipino

Council of Hawaii, Congress of Visayan Organizations, Hawaii Coalition of Caregivers, United Group of Home Operators, Alliance of Residential Care Administrators, The Primary Care Providers, and many concerned individuals supported this concurrent resolution. DOH supported the intent of this measure. A concerned individual provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "URGING THE DEPARTMENTS OF HEALTH AND HUMAN SERVICES TO PROVIDE ADULT RESIDENTIAL CARE HOME OPERATORS WITH THE SERVICES NECESSARY TO ASSIST THEM IN PROVIDING CARE FOR ADULTS";
- (2) Adding the Department of Human Services to 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. 20, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 20, H.D. 1.

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

SCRep. 1176-08 Human Services & Housing/Health on H.C.R. No. 20

The purpose of this concurrent resolution is to urge the Department of Health (DOH) to provide adult residential care home operators with greater levels of service and consideration to assist them in providing care for adults.

The National Federation of Filipino American Associations Region XII, Filipino American Citizens League, Filipino Coalition for Solidarity, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, United Filipino Council of Hawaii, Congress of Visayan Organizations, Hawaii Coalition of Caregivers, United Group of Home Operators, Alliance of Residential Care Administrators, The Primary Care Providers, and many concerned individuals supported this concurrent resolution. DOH supported the intent of this measure. A concerned individual provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "URGING THE DEPARTMENTS OF HEALTH AND HUMAN SERVICES TO PROVIDE ADULT RESIDENTIAL CARE HOME OPERATORS WITH THE SERVICES NECESSARY TO ASSIST THEM IN PROVIDING CARE FOR ADULTS";
- (2) Adding the Department of Human Services to 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. 20, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 20, H.D. 1.

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

SCRep. 1177-08 Human Services & Housing/Health on H.R. No. 77

The purpose of this resolution is to request the Governor to conduct a comprehensive study and cost review of adult residential care home (ARCH) services in Hawaii, including the actual costs incurred to operate an ARCH.

The Hawaii Coalition of Caregivers and several concerned individuals testified in support of this resolution.

Your Committees have amended this resolution by:

- (1) Changing its title to read: "REQUESTING THE GOVERNOR TO CONDUCT A COMPREHENSIVE STUDY AND COST REVIEW OF CERTAIN CARE HOME SERVICES IN HAWAII";
- (2) Expanding the scope of the study and cost review to include expanded ARCHs, community care foster family homes, and adult foster homes with disabled adult residents;
- (3) Adding the Director of Human Services as a recipient of a certified copy of this resolution; 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 concur with the intent and purpose of H.R. No. 77, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 77, H.D. 1.

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

SCRep. 1178-08 Human Services & Housing/Health on H.C.R. No. 95

The purpose of this concurrent resolution is to request the Governor to conduct a comprehensive study and cost review of adult residential care home (ARCH) services in Hawaii, including the actual costs incurred to operate an ARCH.

The Hawaii Coalition of Caregivers and several concerned individuals testified in support of this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE GOVERNOR TO CONDUCT A COMPREHENSIVE STUDY AND COST REVIEW OF CERTAIN CARE HOME SERVICES IN HAWAII";
- (2) Expanding the scope of the study and cost review to include expanded ARCHs, community care foster family homes, and adult foster homes with disabled adult residents;
- (3) Adding the Director of Human Services as a recipient of a certified copy of this concurrent resolution; 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 concur with the intent and purpose of H.C.R. No. 95, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 95, H.D. 1.

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

SCRep. 1179-08 Higher Education on H.R. No. 130

The purpose of this resolution is to request the University of Hawaii to produce a five-year strategic plan for a graduate degree program in cultural resource management at the University of Hawaii at Hilo.

Testimony in support of this measure was received from the University of Hawaii at Hilo and a concerned individual.

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. 130 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 Berg, Cabanilla and Takumi.

SCRep. 1180-08 Higher Education on H.C.R. No. 157

The purpose of this concurrent resolution is to request the University of Hawaii to produce a five-year strategic plan for a graduate degree program in cultural resource management at the University of Hawaii at Hilo.

Testimony in support of this measure was received from the University of Hawaii at Hilo and a concerned individual.

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. 157 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 Berg, Cabanilla and Takumi.

SCRep. 1181-08 Higher Education on H.R. No. 131

The purpose of this resolution is to request the University of Hawaii Board of Regents to study the feasibility and benefits of allowing the campus ceiling for nonresident enrollments to be set on a campus-by-campus basis, or alternatively, of lifting the ceilings.

The University of Hawaii System supported the intent of this measure. The University of Hawaii at Hilo submitted comments.

Based on testimony and subsequent discussion, your Committee notes that good public policy in this matter must take into account a number of factors, and has amended this measure to include the following:

- Campus mission;
- Access of Hawaii residents
- Cost to the State of educating non-residents;
- Expenditures for recruiting and retaining non-resident students;
- Financial aid sources available for non-residents;
- Availability of housing and related costs to the State;
- Retention and graduation rates of non-resident students; and

- Balancing the value of having non resident students in our UH system with the need to ensure access and opportunity to higher education for students who reside in remote parts of the State or who are considered at risk.

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, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 131, H.D. 1.

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

SCRep. 1182-08 Higher Education on H.C.R. No. 158

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents to study the feasibility and benefits of allowing the campus ceiling for nonresident enrollments to be set on a campus-by-campus basis, or alternatively, of lifting the ceilings.

The University of Hawaii System supported the intent of this measure. The University of Hawaii at Hilo submitted comments.

Based on testimony and subsequent discussion, your Committee notes that good public policy in this matter must take into account a number of factors, and has amended this measure to include the following:

- Campus mission;
- Access of Hawaii residents
- Cost to the State of educating non-residents;
- Expenditures for recruiting and retaining non-resident students;
- Financial aid sources available for non-residents;
- Availability of housing and related costs to the State;
- Retention and graduation rates of non-resident students; and
- Balancing the value of having non resident students in our UH system with the need to ensure access and opportunity to higher education for students who reside in remote parts of the State or who are considered at risk.

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. 158, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 158, H.D. 1.

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

SCRep. 1183-08 Human Services & Housing/International Affairs on H.R. No. 16

The purpose of this resolution is to request the United States Congress to ratify the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (Convention).

The American Civil Liberties Union of Hawaii, the Hawaii State Coalition Against Domestic Violence, and several concerned individuals supported this resolution.

Your Committees find that the Convention provides the basis for realizing equality between women and men by ensuring women equal access to, and equal opportunities in, political and public life.

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. 16 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Shimabukuro. (Representative Ward voted no.)

SCRep. 1184-08 Human Services & Housing/International Affairs on H.C.R. No. 16

The purpose of this concurrent resolution is to request the United States Congress to ratify the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (Convention).

The American Civil Liberties Union of Hawaii, the Hawaii State Coalition Against Domestic Violence, and several concerned individuals supported this concurrent resolution.

Your Committees find that the Convention provides the basis for realizing equality between women and men by ensuring women equal access to, and equal opportunities in, political and public life.

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. 16 and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla and Shimabukuro. (Representative Ward voted no.)

SCRep. 1185-08 Human Services & Housing on H.R. No. 93

The purpose of this resolution is to ensure opportunities for individuals in need of low-rent housing to obtain assistance by urging Hawaii's congressional delegation to:

- (1) Support legislation that supports incentives for public housing tenants to transition into permanent housing; and
- (2) Support changes to federal rules to require tenants who exceed income limits for federal public housing units to find market rental or permanent housing.

Several concerned individuals testified in support of this resolution.

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. 93, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 93, H.D. 1.

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

SCRep. 1186-08 Human Services & Housing on H.C.R. No. 111

The purpose of this concurrent resolution is to ensure opportunities for individuals in need of low-rent housing to obtain assistance by urging Hawaii's congressional delegation to:

- (1) Support legislation that supports incentives for public housing tenants to transition into permanent housing; and
- (2) Support changes to federal rules to require tenants who exceed income limits for federal public housing units to find market rental or permanent housing.

Several concerned individuals testified in support of this concurrent resolution.

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. 111, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 111, H.D. 1.

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

SCRep. 1187-08 Tourism & Culture on S.B. No. 2433

The purpose of this bill is to ensure appropriate use of state resources by requiring the State of Hawaii Museum of Monarchy History to meet certain conditions and requirements to receive state funds.

The Friends of Iolani Palace supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2433, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1188-08 Tourism & Culture on S.B. No. 2569

The purpose of this bill is to allow additional time for the development of a Museum of Hawaiian Music and Dance by extending the interim and final reporting deadlines for reports submitted to the Legislature by the Museum of Hawaiian Music and Dance Committee.

The Office of Hawaiian Affairs, Hawaii Tourism Authority, State Foundation on Culture and the Arts, and a concerned individual supported this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2569 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, Herkes, Wakai and Ching.

SCRep. 1189-08 Tourism & Culture on S.B. No. 2498

The purpose of this bill is to officially designate November 20 of each year as Makahiki Commemoration Day, the beginning of the 4-month long Makahiki season which perpetuates the ancient wisdom of land conservation, unity, and peace.

The Office of Hawaiian Affairs and several concerned individuals supported this bill. A concerned individual supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2498, S.D. 1, 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 Berg, Herkes, Wakai and Ching.

SCRep. 1190-08 Human Services & Housing on S.B. No. 2730

The purpose of this bill is to establish a preference for certain relatives, lawe hanai, or hanai parents for out-of-home placement of children involved in child protective proceedings.

The Department of Human Services (DHS), Office of Hawaiian Affairs, Legal Aid Society of Hawaii, Partners In Development Foundation, Na Tutu, Grandparents Raising Grandchildren, EPIC Ohana Conferencing, and several concerned individuals testified in support of this bill. Foster Family Programs of Hawaii supported this measure with amendments. The American Civil Liberties Union of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Amending the definition of "relative" by deleting lawe hanai parents, changing "hanai parent" to "hanai relative", and including relatives by adoption, and making other clarifying changes;
- (2) Adding a definition for "hanai relative";
- (3) Requiring DHS to provide an application to a relative inquiring about child placement within 15 days of the inquiry; 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. 2730, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2730, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1191-08 Consumer Protection & Commerce on S.B. No. 3092

The purpose of this bill is to protect personal information included in public records by allowing only the last four digits of a social security number to be listed on judgments, orders, or decrees recorded in the Bureau of Conveyances (Bureau) or Land Court.

The Department of Commerce and Consumer Affairs and Department of Land and Natural Resources testified in support of this bill. The Consumer Data Industry Association submitted comments.

Current law requires judgments, orders, and decrees to include the social security number, Hawaii Tax Identification Number, or Federal Employer Identification Number for entities against whom the judgment, order, or decree is rendered, before the instrument may be recorded in the Bureau or Land Court. The intended use of this information is the positive identification of debtors in instances where similar names may cause confusion. However, the inclusion of social security numbers in Bureau and Land Court public records also leaves this information vulnerable to improper uses.

By prohibiting the full disclosure of social security numbers in these public records, this bill attempts to reduce the opportunities for identity theft.

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. 3092, 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, Ito, Morita, Sonson and Souki.

SCRep. 1192-08 Consumer Protection & Commerce on S.B. No. 2454

The purpose of this bill is to improve the nonjudicial foreclosure process by ensuring that foreclosing mortgagees provide interested parties with certain information about the mortgaged property in a timely manner.

Specifically, this bill requires the mortgagee to provide the party in breach of the mortgage agreement with the contact information, including the electronic address, of the mortgagee's attorney who must be physically located and licensed in Hawaii. This bill also makes other

amendments to the Mortgage Foreclosures Law under Chapter 667, Hawaii Revised Statutes, to ensure that the different nonjudicial foreclosure processes include provisions for interested parties to receive sufficient notice and obtain information about the intent to foreclose, amounts to cure the mortgage default, fees and costs, and public sales of the mortgaged property.

The Collection Law Section of the Hawaii State Bar Association testified in support of this bill. The Hawaii Financial Services Association supported the intent of this measure.

Nonjudicial foreclosures allow lenders to foreclose on mortgages under a power of sale without going through a costly and time-consuming lawsuit. However, these foreclosure processes can be difficult for consumers and other parties seeking to obtain important information about the foreclosure in a timely manner, particularly when there is a time-zone difference because the lender is based outside of Hawaii. Calling a phone number in a foreclosure notice can lead to unhelpful automated messages or to someone who is unable to provide the caller with the information sought. By requiring foreclosing mortgagees to provide the contact information of a Hawaii-based attorney, this bill seeks to ensure that interested parties have a means to obtain information from a person with a local presence and the ability to provide useful information.

Your Committee has amended this bill by replacing its entire contents with the similar provisions of H.B. No. 2837. As amended, this bill differs substantively from the draft received by your Committee by:

- (1) Requiring to be in writing, information requests from entitled parties regarding the amount to cure the mortgage default, estimated fees and costs to be incurred by the mortgagee, and the sale price of the mortgaged property at auction; and
- (2) Requiring information requests regarding the sale price of the mortgaged property to be fulfilled within a certain number of business days following the auction.

Further technical, nonsubstantive amendments were 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. 2454, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Green, Ito and Sonson.

SCRep. 1193-08 Consumer Protection & Commerce/Judiciary on S.B. No. 2803

The purpose of this bill is to protect the personal information collected and maintained by state and county agencies through the implementation of the recommendations of the "Hawaii Identity Theft Task Force Report" of December 2007. Specifically, this measure:

- (1) Requires each state and county agency to designate an employee to ensure the agency's compliance with requirements relating to the security of personal information;
- (2) Establishes the Information and Privacy Security Council to be placed administratively within the Department of the Attorney General and appropriates funds for three staff analyst positions to support the Council;
- (3) Changes the effective date of Chapter 487J, Hawaii Revised Statutes, relating to social security number protection, to July 1, 2009;
- (4) Requires conditions on third party personal information use to be included in contracts between government agencies and third parties that provide support services on behalf of the agency;
- (5) Requires state and county agencies that collect, maintain, or disseminate documents with personal information to:
 - (A) Develop and implement a plan to protect the personal information; and
 - (B) Develop a written plan to eliminate unnecessary collection and use of social security numbers;
- (6) Requires state and county agencies responsible for human resource functions to develop and distribute to agencies, guidelines to minimize unauthorized access to personal information;
- (7) Requires state and government agencies to develop a written policy regarding notification of security breaches of personal information; and
- (8) Defines the terms: "government agency," "personal information," "personal information system," "records," and "security breach."

The Department of Education, Retail Merchants of Hawaii, Hawaii Financial Services Association, and a concerned individual testified in support of this bill. The Judiciary, Department of Accounting and General Services, Department of Personnel Services of the County of Maui, Department of Human Resources of the City and County of Honolulu, and Department of Human Resources of the County of Hawaii supported the intent of this measure. The Consumer Data Industry Association testified in opposition to this bill. The Attorney General, Department of Human Resources Development, Department of Finance of the County of Maui, and the University of Hawaii System 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. 2803, 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 Morita, Sonson, Souki and Thielen.

SCRep. 1194-08 Consumer Protection & Commerce/Judiciary on S.B. No. 3008

The purpose of this bill is to streamline and update the Code of Financial Institutions by eliminating obsolete requirements and improving the procedures for the licensing and regulation of financial institutions in Hawaii by the Department of Commerce and Consumer Affairs. Among other things, this measure:

- (1) Requires financial services loan companies to conspicuously display their licenses;
- (2) Addresses temporary closures of Hawaii financial institutions during emergencies;
- (3) Clarifies the authority of a person to serve as a trustee or trust company;
- (4) Clarifies how prepayment penalties are calculated;
- (5) Clarifies when the Commissioner of Financial Institutions may examine a financial institution holding company; and
- (6) Places a Hawaii licensed foreign bank on equal footing with a Hawaii state-chartered financial institution when relocating its place of business less than a mile from its existing location.

The Department of Commerce and Consumer Affairs and Hawaii Financial Services Association testified in support of this bill.

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. 3008, 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 Morita, Sonson, Souki and Thielen.

SCRep. 1195-08 Consumer Protection & Commerce/Judiciary on S.B. No. 3009

The purpose of this bill is to enhance the regulation of money transmitters by amending the Money Transmitters Act under Chapter 489D, Hawaii Revised Statutes, to:

- (1) Change the application and licensing fees;
- (2) Enhance consumer protections;
- (3) Make clarifying amendments; and
- (4) Correct errors and omissions.

The Department of Commerce and Consumer Affairs and Money Services Round Table testified in support of this bill.

Money transmitters sell or issue payment instruments such as checks and money orders, and receive money for transmission to other locations by means that include wire, facsimile, and electronic transfer. This bill makes various amendments to the law governing this industry to improve regulations and consumer protections.

Your Committees have amended this bill by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3009, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3009, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1196-08 Consumer Protection & Commerce/Judiciary on S.B. No. 3023

The purpose of this bill is to keep Hawaii competitive as a leading captive insurance jurisdiction by authorizing the creation of special purpose financial captive insurance companies to provide securitization of insurance risks.

The Department of Commerce and Consumer Affairs, Hawaii Captive Insurance Council, Beecher Carlson Insurance Services, LLC, Alliance Captive Insurance Services, LLC, and Artex Risk Solutions, Inc., testified in support of this bill. The Reinsurance Association of America submitted comments.

There are concerns that this bill gives the Insurance Commissioner too much discretion in authorizing special purpose financial captives to provide reinsurance to insurers, even though these captives have smaller capital requirements and weaker solvency standards than regular licensed insurers.

Accordingly, your Committees have amended this bill by changing its effective date to July 1, 2010, to encourage further discussion. Technical, nonsubstantive amendments were also made for consistency and clarity.

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. 3023, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3023, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1197-08 Health on S.B. No. 2768

The purpose of this bill is to ensure quality health care on the island of Maui by authorizing the issuance of \$150,000,000 in revenue bonds for a Heart, Brain, and Spine Center at the Maui Memorial Medical Center.

The Maui Memorial Medical Center and Healthcare Association of Hawaii 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. 2768, 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1198-08 Health on S.B. No. 2104

The purpose of this bill is to enhance organ donor registration by:

- (1) Requiring the Department of Health (DOH) to contract for the establishment of a statewide organ donor registry (Registry) that will compile organ donor information into a centralized database and make the information available to family members and physicians;
- (2) Requiring that, as a future option, the Registry will allow individuals to register as organ donors through an online process; and
- (3) Appropriating funds for the establishment of the Registry.

The Organ Donor Center of Hawaii, Hawaii Coalition on Donation, National Kidney Foundation of Hawaii, United Filipino Council of Hawaii, Nursing Advocates and Mentors, Inc., National Federation of Filipino American Associations Region XII, Filipino Coalition for Solidarity, Filipino American Citizens League, Philippine Nurses Association-Hawaii, AIM Healthcare Institute, Case Management Professionals, Inc., and several concerned individuals testified in support of this bill. DOH provided comments.

Your Committee has amended this measure by:

- (1) Stipulating that the monies for the Registry be appropriated as a grant; and
- (2) Providing a mechanism whereby funds will not be released for the Registry if the Registry receives funds from federal or private funding sources, or a combination of these sources.

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. 2104, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2104, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1199-08 Health on S.B. No. 2157

The purpose of this bill is to ensure treatment for people living with pain from disease and chronic conditions by amending the Patient's Bill of Rights to clarify that pain patients have a right to be prescribed controlled substances to relieve pain. This bill will help to provide relief to pain patients so that they can lead normal lives to the greatest extent possible, by providing them with access to the medication they need.

Specifically, this bill:

- (1) Clarifies the provisions for prescribing opiate medication for pain treatment; and
- (2) Extends the time, from three to seven days after a prescription has been issued, within which schedule II controlled substance prescriptions must be filled.

The Department of Public Safety, Hawaii Medical Association, Hawaii Family Forum, Hawaii Catholic Conference, American Cancer Society Hawaii Pacific Inc., Longs Drugs Stores, Kokua Mau, Kauai Hospice, Hospice of Hilo, Policy Advisory Board for Elder Affairs, and several concerned individuals supported this bill.

Your Committee has amended this bill by including the contents of H.B. No. 2519, H.D. 2 as parts II through V of this bill to address the critical shortage of health care professionals Hawaii is experiencing by providing incentives for physicians and dentists to work in health professional shortage areas (HPSAs) of the state. Among other things, these provisions:

- (1) Establish the Hawaii Rural Physician Loan Program for students at the University of Hawaii John A. Burns School of Medicine who agree to participate in the Hawaii Health Corps Program (HHCP) and work at least five years as a physician in HPSAs of the state and as first responders during civil defense and other emergencies;
- (2) Establish the Hawaii Health Corps Stipend Program that provides stipends for physicians and dentists who agree to provide services in HPSAs of the state and as first responders during civil defense and other emergencies;
- (3) Establish the Hawaii Health Corps Fund;
- (4) Increase access to quality health care in HPSAs by making the Enterprise Zone tax credits and exemptions and other business incentives available to physicians and dentists who establish or maintain practices in areas designated as enterprise zones; and
- (5) Appropriate an unspecified amount of funds for the creation of the HHCP and for the administration of health care enterprise zones.

Your Committee has further 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. 2157, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2157, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1200-08 Labor & Public Employment on S.B. No. 2039

The purpose of this bill is to assist Hawaii's public employee retirees and help offset the effects of inflation on older retirees' pensions by providing a one-time, lump sum pension bonus payment available only to retirees who are at least 75 years of age and who have been in retirement for at least 20 years.

The Hawaii Government Employees Association, Hawaii State Teachers Association, Hawaii State Teachers Association-Retired, and several concerned individuals testified in support of this bill. The Department of Budget and Finance testified in opposition to this measure. The Board of Trustees of the Employees' Retirement System provided comments.

Retirees often face financial challenges because they live on a fixed income. Rising costs of living, compounded by inflation, have made it difficult for retirees to meet their daily needs. This is especially true for those employees who have been retired for over 20 years because their retirement benefits are based upon earnings that are now 20 years old. This one-time, lump sum pension bonus payment will provide retirees with some needed relief from living expenses.

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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2039, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2039, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1201-08 Labor & Public Employment on S.B. No. 2262

The purpose of this bill is to ensure the continuous provision of health benefits for teachers belonging to bargaining unit 5, as well as future retirees of that bargaining unit, and existing retirees who participate in the Voluntary Employees' Beneficiary Association (VEBA) Trust, by extending the sunset date for the VEBA Trust pilot program to July 1, 2011.

The Hawaii State Teachers Association (HSTA), Hawaii State Teachers Association-Retired, HSTA Member Benefits Corporation, and many concerned teachers testified in support of the intent of this bill but requested that the VEBA Trust be made permanent rather than simply extended. The Department of Human Resources Development, Department of Budget and Finance, Administrator of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), and EUTF Board of Trustees opposed this measure. The Department of the Attorney General and a concerned individual provided comments.

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 into the viability of VEBA trusts as a health care cost-savings mechanism for the State. However, difficulties faced by HSTA in starting up the VEBA Trust pilot program caused unforeseen delays in implementation of the program. Although Act 245 became effective in 2005, the program itself did not begin providing services until March 1, 2006. This resulted in a time frame that was believed to be insufficient to complete a thorough cost benefit analysis of this program and to report back to the Legislature. Thus, in 2007, Act 294, Session Laws of Hawaii 2007 (Act 294), was enacted to allow more time for a thorough analysis to be completed. Act 294 required an employee organization that established a VEBA Trust in 2006 to submit a report to the Legislature on the status of the trust no later than 150 days after two full years of implementation. Therefore, HSTA's VEBA Trust will be required to submit a report to the Legislature by November of 2008.

According to HSTA, reports on the first full plan year for active members, which covered the first 16 months of operation, were recently submitted to the Legislature and indicate that employer savings from VEBA equaled \$2.1 million from March 2006, to June 2006 and is expected to be \$2.3 million from July 2006, to June 2007. However, your Committee notes that EUTF reported that had HSTA members remained in EUTF and not transferred to the VEBA trust, the budget for the preferred provider option under EUTF would have been lower by approximately 4.3 percent, amounting to an overall premium reduction of approximately \$8.6 million.

Although your Committee understands the concerns raised by opponents of the measure that the actual impacts of the VEBA Trust are not yet known, and finds that the Auditor's report requested during the Regular Session of 2007 to study the impacts of Act 245 has yet to be completed, the option of making the VEBA Trust permanent deserves further consideration. As such, your Committee has amended this measure by deleting its contents and replacing it with the language contained in H.B. No. 2481, H.D. 1. As amended, this measure ensures the continuous provision of health benefits for teachers and current and future teacher retirees who participate in the VEBA Trust by:

- (1) Providing any retiree who, prior to July 1, 2008, declined the option to transfer from participation in the EUTF to VEBA, a final one-time option to transfer participation; and
- (2) Making VEBA a permanent program by repealing its sunset date of July 1, 2009.

Your Committee has further amended the provisions of H.B. No. 2481, H.D. 1, by:

- (1) Changing the effective date from July 1, 2059, to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2262, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2262, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1202-08 Labor & Public Employment on S.B. No. 2594

The purpose of this bill is to protect an employee's right to organize by:

- (1) Streamlining the process to certify union representation by requiring the Hawaii Labor Relations Board to certify an exclusive representative if a majority of the employees in a unit not currently represented has signed valid authorizations designating a bargaining representative instead of doing so through an election process; and
- (2) Establishing a process that facilitates the initial collective bargaining agreements between an employer and a newly certified employee representative.

The ILWU Local 142, Hawaii Government Employees Association, Hawaii State AFL-CIO, and Laborers' Union Local 368 testified in support of this bill. The Department of Labor and Industrial Relations, Associated Builders and Contractors of Hawaii, Hawaii Food Industry Association, and ABC Stores testified in opposition to this measure.

Although many employees have been allowed to legally exercise their right to organize, many employers still attempt to deny workers the freedom to form a union. By streamlining the union certification process by enabling workers to form unions when a majority of the workers sign union authorization cards, the playing field for workers seeking to be organized is leveled.

Your Committee notes the concern raised by ILWU that although this measure facilitates the initial collective bargaining agreement between the newly certified employee representative and the employer, no provisions exist to resolve a stalemate between the two parties should one develop. Accordingly, your Committee has amended this bill by establishing a process for arriving at a collective bargaining agreement between the newly certified employee representative and the employer if a stalemate develops.

Your Committee has further amended this bill by:

- (1) Changing its effective date to July 1, 2008; and
- (2) Making 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 S.B. No. 2594, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2594, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1203-08 Labor & Public Employment on S.B. No. 3004

The purpose of this bill is to improve and enhance the Employees' Retirement System (ERS) by, among other things:

- (1) Allowing the ERS to require employers to transmit payroll and personnel transactions in an electronic format;
- (2) Requiring direct deposit for lump sum refunds of accumulated contributions greater than \$250 if the member does not elect to rollover the payment into an eligible retirement plan, and allowing the ERS to waive this method if another method is determined to be more appropriate;
- (3) Requiring that Contributory and Hybrid Plan members make retirement contributions while on leave of absence for professional improvement or when performing governmental functions, to receive membership credit;
- (4) Automatically increasing the annual ceiling on pension benefits to parallel the increases in the federal ceiling under Section 415 of the Internal Revenue Code;
- (5) Requiring the State and county governments to remit the employee's contributions based on the compensation that the member would have received had the member not been on active military duty in the armed forces to comply with the federal Uniform Services Employment and Reemployment Rights Act;
- (6) Clarifying that accidental death benefits for Noncontributory Plan members are not subject to the 10-year service credit requirement that is applicable to ordinary death benefits in the Noncontributory Plan;
- (7) Allowing members to rollover and transfer funds to the ERS System from their individual retirement accounts and tax sheltered annuities, deferred compensation, and private pension plans to purchase membership service credit and to upgrade their Noncontributory Plan service to Hybrid Plan service;
- (8) Prohibiting returning vested Contributory Plan members from opting to switch to the Hybrid Plan after June 30, 2008; and
- (9) Allowing payments for the Hybrid Plan conversion with "after-tax" employee payroll deductions.

The ERS Board of Trustees and Department of Budget and Finance testified in support of this bill.

This bill mainly clarifies and conforms statutes governing the ERS to current practices and attempts to enhance the efficiency of the ERS by allowing ERS to require the electronic transfer of data from employers.

Your Committee has amended this bill by deleting the provisions that:

- (1) Allow members to rollover and transfer funds to the ERS System from their individual retirement accounts and tax sheltered annuities, deferred compensation, and private pension plans to purchase membership service credit and to upgrade their Noncontributory Plan service to Hybrid Plan service;
- (2) Prohibit returning vested Contributory Plan members from opting to switch to the Hybrid Plan after June 30, 2008; and
- (3) Allowing payments for the Hybrid Plan conversion with "after-tax" employee payroll deductions.

Other technical, nonsubstantive amendments were 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. 3004, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3004, 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, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1204-08 Labor & Public Employment on S.B. No. 3087

The purpose of this bill is to strengthen enforcement of Hawaii's Public Works Law by requiring the Director of the Department of Labor and Industrial Relations (DLIR) to immediately suspend any contractor who interferes with or delays an investigation or falsifies payroll records from working on any public works project for three years.

DLIR, Laborers' Union Local 368, General Contractors Association of Hawaii, Ralph S. Inouye Co., Ltd., Royal Contracting Co., Ltd., Hawaii Building and Trades Council, AFL-CIO, Building Industry Association of Hawaii, Associated Builders and Contractors of Hawaii, Hidano Construction, Inc., Pacific Resources Partnership, and Hawaii AFL-CIO testified in support of this bill. The Hawaii Island Contractors Association testified in opposition to this measure. The Department of the Attorney General provided comments.

Currently, employees who work on public works projects are required to be compensated in accordance with the Federal Davis-Bacon Act or Hawaii's Public Works Law (also known as the Little Davis Bacon Act). These pieces of legislation were intended to provide a level playing field to bidders on public projects by requiring all bidders to provide the appropriate wages and benefits.

Under current law, a contractor found to be in violation of Hawaii's Public Works Law is considered to have committed only one violation of the law, although multiple violations may be occurring or recurring simultaneously on multiple public works 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 by requiring the Director of DLIR to suspend a contractor who delays or interferes with investigations conducted under Hawaii's Public Works Law or falsifies payroll records from working on any public work for three years will deter these actions and allow for better enforcement of Hawaii's Public Works Law.

However, your Committee understands the concerns raised by the Attorney General that, as currently written, the language of this bill is ambiguous and needs clarification. Accordingly, your Committee has amended this measure by clarifying that a contractor shall be suspended for a period of three years for a violation based on interference with or delay of an investigation pursuant to Hawaii's public works law.

Other technical, nonsubstantive amendments were 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. 3087, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3087, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1205-08 Labor & Public Employment on S.B. No. 3088

The purpose of this bill is to improve the efficiency and expeditiousness of the workers' compensation system by authorizing the Labor and Industrial Relations Appeals Board (Board) to appoint a hearings officer and set the hearings officer's duties and compensation.

The Department of Labor and Industrial Relations (DLIR), Board, ILWU Local 142, Hawaii State AFL-CIO, and Laborers' Union Local 368 testified in support of this bill.

Currently, the Board consists of three members appointed by the Governor who have the power to decide appeals from decisions rendered, by and orders, of the Director of DLIR. Essentially, the Board adjudicates workers' compensation cases.

Each year, the Board receives several hundred appeals. While the appeals for trial are scheduled in the order in which they are received, the tremendous backlog of cases has often caused appeal trials to be scheduled up to a year later. While the Board has improved the expeditiousness of this system, the length of time it may still take to resolve these cases may result in delays in injured employees receiving medical treatment, vocational training, or education.

Your Committee finds that allowing the Board to retain the services of a hearings officer will expedite the resolution of time-sensitive appeals concerning vocational rehabilitation, medical care, and temporary total disability benefits. However, your Committee is concerned that the qualifications of the appointed hearings officer is not specified in this measure. Moreover, your Committee finds that DLIR should submit a report detailing the appointed hearings officer's effectiveness in making the appeals process for workers' compensation cases more efficient and expeditious. Accordingly, your Committee has amended this bill by:

- (1) Inserting language that establishes minimum qualifications for the hearings officer appointed by the Board;
- (2) Requiring DLIR to submit an interim and final reports to the Legislature containing:
 - (A) Detailed information on the qualifications of the appointed hearings officer;
 - (B) The effectiveness of the use of the appointed hearings officer in expeditiously conducting hearings on workers' compensation treatment plan issues, vocational rehabilitation issues, and temporary total disability issues; and
 - (C) The increased efficiency that has been experienced by the workers' compensation system, if any, as a result of the appointment of a hearings officer;

and
- (3) Inserting a repeal date of June 30, 2011.

Other technical, nonsubstantive amendments were 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. 3088, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3088, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1206-08 Economic Development & Business Concerns on S.B. No. 2169

The purpose of this bill is to expand Hawaii's wholesale and retail liquor market by establishing a new class of liquor license for wineries.

Wine The Experience testified in strong support of this measure.

Your Committee finds that the new class of winery liquor license established by this bill is modeled on the brewpub license and will allow Hawaii's small businesses to market locally produced wines.

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. 2169, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representative Ching.

SCRep. 1207-08 Economic Development & Business Concerns on S.B. No. 2826

The purpose of this bill is to improve knowledge of, and compliance with the procurement code by:

- (1) Transferring responsibility for developing and conducting training for procurement officers from the Department of Human Resources Development to the State Procurement Office; and
- (2) Making training mandatory for all state procurement officers, but elective for county procurement officers.

This bill also makes the Comptroller an ex-officio nonvoting member of the Procurement Policy Board.

The Department of Accounting and General Services opposed this bill. The State Procurement Office offered comments.

The Comptroller is the only member of the Procurement Policy Board who represents the State. Thus, removing the Comptroller's vote may be detrimental to the State's interests in the establishment and implementation of procurement policy.

Your Committee notes that if attendance at procurement training were to become mandatory for all state procurement officers there would be an increased need for training resources. Your Committee also understands that responsibility for procurement activities is decentralized, and that it would be unusual for any one person to be involved in all the potential types of procurements covered by the procurement code. Accordingly, your Committee has amended this bill by:

- (1) Providing that the Procurement Policy Board is to determine under what conditions procurement training is to be mandatory;
- (2) Deleting the section making the Comptroller an ex-officio nonvoting member of the Procurement Policy Board;
- (3) Changing the effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2826, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2826, 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 Ching.

SCRep. 1208-08 Economic Development & Business Concerns on S.B. No. 2825

The purpose of this bill is to improve compliance with and administration of the procurement code by:

- (1) Allowing the Administrator of the State Procurement Office to determine the corrective actions to be taken by procurement officers;
- (2) Providing that procurement officers who fail to comply with the administrator's determination of corrective action within 30 days of issuance of the determination are subject to an administrative fine for each day of noncompliance; and
- (2) [sic] Making the Comptroller an ex-officio nonvoting member of the Procurement Policy Board.

The State Procurement Office supported the intent of this bill. The Department of Accounting and General Services submitted testimony in opposition.

Your Committee believes that the Comptroller, as the only member of the Procurement Policy Board who represents the interests of the State, is a valuable voting member of the board. Additionally, your Committee while recognizing that compliance with the procurement code

is essential to a fair and open process for the disposition of public funds, questions the effectiveness of taking action against the procurement officer, personally.

As such, your Committee has amended this measure by:

- (1) Deleting the section making the Comptroller an ex-officio nonvoting member of the Procurement Policy Board; and
- (2) 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 S.B. No. 2825, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2825, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1209-08 Economic Development & Business Concerns on S.B. No. 2867

The purpose of this bill is to deter offerors and subcontractors from using false information to obtain a procurement contract by providing that false information knowingly placed in a procurement bid:

- (1) Is a basis for rejection of the bid; and
- (2) May result in debarment or suspension, and shall result in a one year mandatory suspension from being considered for procurement awards.

The Department of Accounting and General Services supported the intent of this measure. The State Procurement Office offered comments.

This bill will strengthen the integrity of state procurement procedure by providing clear consequences for offerors and subcontractors who intentionally seek to deceive procurement officers. Your Committee has amended this bill as suggested by the State Procurement Office to make the language of this bill consistent with the procurement code, and its sanctions, applicable to all forms of procurement. Other technical, nonsubstantive amendments were 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. 2867, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2867, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Ching.

SCRep. 1210-08 Economic Development & Business Concerns on S.B. No. 591

The purpose of this bill is to make the Capital Goods Excise Tax Credit law easier to comply with by updating and restating its provisions.

The Department of Taxation (DOTAX) and a concerned individual supported the measure. The Tax Foundation of Hawaii offered comments.

Your Committee finds that the current Capital Goods Excise Tax Credit is difficult to administer as it is antiquated and makes reference to repealed or substantively amended chapters of the United States Internal Revenue Code. This measure will assist taxpayers and tax practitioners by restating the credit in accordance with the current Internal Revenue Code.

However, your Committee also notes that the bill as written maintains the credit at four percent of the cost of eligible capital goods property, whereas the general excise tax rate in Honolulu is now 4.5 percent. The intent and purpose of the credit is to refund the general excise tax on capital goods to reduce the burden on goods necessary for business. Your Committee therefore humbly requests that the Committee on Finance to which this bill is next referred, consider adopting language updating the rate of the credit for Honolulu.

Your Committee has amended this bill by changing its 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 S.B. No. 591, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 591, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chang.

SCRep. 1211-08 Economic Development & Business Concerns on S.B. No. 1793

The purpose of this bill is to improve governance of the Natural Energy Laboratory of Hawaii Authority (NELHA) by adding to NELHA's board of directors, two members chosen from NELHA's tenants and three members of the general public, and requiring seven or more members to vote in the affirmative on issues relating to lease rents or water rates.

Your Committee made available to the public on the Legislature's website a proposed H.D. 1 of this bill. The proposed H.D. 1 replaces the substance of this bill with provisions that streamline NELHA operations by exempting NELHA from certain requirements for administrative supervision of boards and commissions. These exemptions allow NELHA to:

- (1) Directly communicate with the Governor and Legislature, instead of through the Department of Business, Economic Development, and Tourism (DBEDT);
- (2) Make all decisions regarding employment without the approval of DBEDT and in compliance with all applicable laws; and
- (3) Purchase supplies, equipment, and furniture without the approval of DBEDT.

The Hawaii Aquaculture Association, Keahole Point Association, and a concerned individual supported the proposed bill. The Department of Budget and Finance opposed the proposed bill. A concerned individual commented.

Your Committee finds that NELHA is in a unique position. It is supported by public funds and is administratively attached to DBEDT, yet its goal is to become self-sustaining as it serves its private small business tenants. To provide reliable services to those tenants, it is imperative that NELHA has the ability to quickly procure goods and services. However, since NELHA is publicly funded, it is accountable to the public for its expenditures and must comply with procurement and other procedures, including DBEDT oversight. Your Committee believes that a restructuring of NELHA's board could be considered, which serves to make NELHA more accountable to the public and at the same time allows NELHA to be given greater independence.

Upon consideration of these issues, your Committee has amended this bill by replacing its substance with that of the proposed H.D. 1, and adding a sunset date of July 1, 2013, to allow a reevaluation of the exemptions.

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. 1793, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1793, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1212-08 Economic Development & Business Concerns on S.B. No. 2088

The purpose of this bill is to expand Hawaii's aviation industry by allowing businesses engaged in advanced flight simulator training for pilots, dispatchers, mechanics, or air traffic controllers, to qualify for the State Enterprise Zones law general excise tax exemption and tax credit.

The Honolulu Community College, Global Aeronautics LLC, and a concerned individual testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii offered comments.

Your Committee notes that there is a demand for pilots and aviation mechanics and the training that will produce these workers. This measure will provide an incentive for private businesses to make the substantial investment needed to construct, equip, and operate advanced flight training centers in Hawaii, thus expanding Hawaii's aviation industry considerably. However, your Committee is concerned about the economic impact this bill will have.

Accordingly, your Committee has amended this bill by changing its effective date to July 1, 2034, to encourage further discussion. A technical, nonsubstantive amendment was also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2088, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2088, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ching.

SCRep. 1213-08 Transportation on S.B. No. 2156

The purpose of this bill is to protect the health, safety, and well-being of the residents of and visitors to West Maui by establishing an informal, temporary West Maui Transportation Access Plan Working Group (Working Group) within the Department of Transportation (DOT) to develop an access plan that addresses road closures in West Maui.

Maui Land and Pineapple Company, Inc., and Hawaii Building and Construction Trades Council, AFL-CIO, testified in support of this bill. DOT supported the intent of this measure. The State Procurement Office did not support this bill.

Many rural areas around the State of Hawaii are accessible by a single roadway or highway. One of those areas, West Maui, is accessible only by one major highway. Closure of this highway can occur at a moment's notice due to incidents that do not rise to the level of a major emergency. In fact, over the last two years, the highway has been closed for extensive periods due to wildfires in the area. These closures have resulted in the residents of West Maui being effectively cut off from the rest of the island.

Your Committee understands the concerns raised by DOT that although its responsibility consists of maintaining the highway leading into West Maui, disaster planning is better accomplished by a county civil defense agency. Accordingly, your Committee has amended this measure by:

- (1) Requiring the Maui Civil Defense Agency, rather than DOT, to establish and coordinate the Working Group to develop an access plan that addresses road closures in West Maui; and
- (2) Establishing the County of Maui, rather than DOT, as the expending agency for the appropriated funds.

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. 2156, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2156, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, McKelvey, Nakasone, Sonson, Takumi and Meyer.

SCRep. 1214-08 Transportation/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2816

The purpose of this bill is to improve ferry service within Maui County by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to assign priority mooring space to intra-county ferries serving Maui County; and
- (2) Exempting fuel sold for use by an intra-county ferry service from the fuel tax.

DLNR and the Department of Taxation (DoTAX) provided comments on this bill.

Currently, ferry service is available within the County of Maui, providing an additional mode of transportation for Maui residents, commuting workers, and visitors alike. Providing priority assignment of mooring space, as well as fuel tax exemptions for an intra-county ferry service, will result in a more reliable ferry service and will allow for this low-cost mode of transportation to continue in the County of Maui.

However, your Committees understand the concerns raised by DoTAX regarding the placement of the tax exemption in the license tax section of the fuel tax law, rather than in the section specifying when the fuel tax is not applicable. Accordingly, your Committees have amended this measure by placing the fuel tax exemption in the section of the fuel tax law that specifies when the fuel tax is not applicable. Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Water, Land, Ocean Resources & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2816, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2816, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nakasone, Saiki, Sonson, Meyer and Pine.

SCRep. 1215-08 Transportation/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3227

The purpose of this bill is to improve, develop, and modernize the State's commercial harbors by:

- (1) Expanding the authority of the Aloha Tower Development Corporation (ATDC) to assist in the development of the statewide harbors modernization plan;
- (2) Establishing the Harbors Modernization Group (Group) as a subgroup of the ATDC Board of Directors to implement specific harbor projects that constitute the Commercial Harbors Modernization Plan;
- (3) Authorizing the Department of Transportation (DOT) to issue revenue bonds, and appropriating bond funds to finance these harbor improvements;
- (4) Extending the term from 35 years to 70 years for the disposition of public lands for maritime and maritime-related operations; and
- (5) Transferring jurisdiction over Hana harbor, except for its small boat ramp facility.

DOT, ATDC, The Chamber of Commerce of Hawaii, Hawaii Harbor Users Group, ILWU Local 142, Maui County Farm Bureau, and a concerned individual testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu supported this measure with amendments. The Department of Land and Natural Resources (DLNR) provided comments.

Hawaii's harbors serve as a vital link between our state and the rest of the country, as well as the world. As an island state, Hawaii depends on its harbors to import a vast majority of the goods used by Hawaii's consumers. In fact, it is estimated that 98 percent of Hawaii's imported goods pass through its harbors. Hawaii's harbors also serve as the starting point for the exporting of products made in Hawaii to ports around the globe. Thus, our harbors play a major role in the everyday lives of Hawaii's residents.

Despite their importance, there is a shortage of port facilities at our commercial harbors. Critical capacity issues, including a lack of berthing space, and necessary infrastructure improvements to upgrade current facilities and harbor expansion have not been addressed over the years, mainly because of a lack of revenue generation by and funding for our harbors system.

Your Committees find that ATDC has the expertise to develop harbor infrastructure and facilities. DOT is responsible for 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.

The expected growth in cargo transportation, ferry systems, and other harbor uses necessitates immediate action to improve our commercial harbors. The comprehensive, system-wide harbor improvement strategy proposed by this measure is an important step in the State's long-range planning goals for its commercial harbor system and is an attempt to address the critical, time sensitive need for modernizing and improving Hawaii's harbor system.

Your Committees also find that it is important for improvements to be made to the pier facilities at Hana Harbor. Transferring jurisdiction of these facilities from DLNR to DOT and authorizing DOT to use revenue bonds for Hana Harbor improvements will allow these improvements to be made in a more timely manner.

Your Committees have amended this bill by deleting its contents and inserting the language of H.B. No. 3406, H.D. 1. As amended, this measure:

- (1) Establishes the Group as a subgroup of ATDC's Board of Directors to implement specific harbor projects that constitute the Commercial Harbors Modernization Plan;
- (2) Authorizes DOT to issue revenue bonds to finance these harbor improvements;
- (3) Appropriates an unspecified amount of bond funds to finance these harbor improvements;
- (4) Extends the term from 35 years to 70 years for the disposition of public lands for maritime and maritime-related operations; and
- (5) Repeals the Group on June 30, 2016.

In addition, your Committees have reinserted language from S.B. No. 3227, S.D. 2, that:

- (1) Transfers jurisdiction over Hana harbor, except for its small boat ramp facility.
- (2) Authorizes DOT to issue revenue bonds to finance improvements at the Hana pier; and
- (3) Relates to the transfer of jurisdiction, functions, powers, duties, and authority between DLNR and DOT; executive orders, revocable permits, easements, and rights of entry; conformity of Acts; and liberal construction.

Finally, your Committees have further amended this measure by:

- (1) Changing its effective date from July 1, 2030, to July 1, 2008;
- (2) Providing for the disposition of any moneys or funds under the management of the Group when the Group is repealed and requiring the funds to be deposited into DOT's harbor special fund; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Transportation and 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. 3227, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3227, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nakasone, Saiki, Sonson, Meyer and Pine.

SCRep. 1216-08 Public Safety & Military Affairs on S.B. No. 2345

The purpose of this bill is to ease the fear and stress children may experience when visiting a parent at correctional facilities by establishing guiding principles to be used by state agencies when dealing with children of incarcerated parents.

The Office of Hawaiian Affairs, the Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals supported this bill. The Department of Public Safety supported the intent of this measure. The Department of Human Services submitted comments.

Your Committee has amended this bill by:

- (1) Replacing its contents with provisions that create the Bill of Rights for Children of Incarcerated Parents (Bill of Rights);
- (2) Placing the Bill of Rights in Chapter 577, Hawaii Revised Statutes, entitled "Children";

- (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 Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2345, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2345, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakasone, Nishimoto, Souki and Finnegan.

SCRep. 1217-08 Public Safety & Military Affairs on S.B. No. 2082

The purpose of this bill is to ensure the preservation of beneficial family ties for children of female inmates housed on the mainland by requiring the Department of Public Safety (DPS) to develop a plan by January 1, 2009, to return as many as possible of the female prisoners who are residents of Hawaii and incarcerated on the mainland as possible to Hawaii by July 1, 2009.

The Community Alliance on Prisons, Maui Economic Opportunity, Inc.'s Being Empowered and Safe Together Reintegration Program, the Drug Policy Forum of Hawaii, Government Efficiency Teams, Inc., and a concerned individual supported this bill. DPS supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Narrowing the study to focus on developing key programs and services that female prisoners will need upon their return to Hawaii from mainland prisons; 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. 2082, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2082, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Nishimoto, Souki and Finnegan.

SCRep. 1218-08 Public Safety & Military Affairs on S.B. No. 2447

The purpose of this bill is to help defray the out-of-pocket costs borne by Hawaii's Army and Air National Guard personnel by increasing the amount of the uniform maintenance allowance provided by the State to enlisted personnel from \$1.50 per day to \$10.00 per day, but not to exceed \$150 per year.

The Hawaii National Guard Enlisted Association, Military Affairs Council of the Hawaii Chamber of Council, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Repealing section 121-41, Hawaii Revised Statutes, which provides for the uniform maintenance allowance; 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. 2447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2447, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1219-08 Judiciary on S.B. No. 2579

The purpose of this bill is to:

- (1) Establish new penalties for failing to file required campaign spending reports or for filing substantially defective or deficient reports; and
- (2) Provide that campaign spending penalties and fines shall be deposited into the general fund rather than the Hawaii election campaign fund.

A member of the Hawaii County Council testified in support of this bill. The Campaign Spending Commission, The League of Women Voters of Hawaii, and Americans for Democratic Action Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Clarifying that the new penalties prescribed by this measure apply to violations by all committees, rather than just a candidate's committee; and
- (2) Conforming present statutory language to reflect the new penalty provisions of this measure.

Your Committee is also mindful that requiring campaign spending penalties or fines to be deposited into the general fund might result in a non-sustainable loss of income for the Hawaii Election Campaign Fund. Therefore, your Committee has further amended this measure by inserting language that increases from \$2 to \$3, the check-off amount on state income tax returns that may be paid from an individual taxpayer's liability into the Hawaii Election Campaign Fund.

Finally, your Committee has also amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2579, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2579, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Waters and Yamane.

SCRep. 1220-08 Judiciary on S.B. No. 2961

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 six new claims that have been resolved, totaling \$216,988.07; 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 S.B. No. 2961, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2961, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Waters and Yamane.

SCRep. 1221-08 Health/Human Services & Housing on S.B. No. 2041

The purpose of this bill is to ensure that Hawaii's residents have continued access to quality health care and to meet the rising costs of health care by appropriating funds for the State's portion of the federal disproportionate share hospital allowance.

The Queen's Medical Center, Hawaii Pacific Health, Kaiser Permanente Hawaii, and Healthcare Association of Hawaii testified in support of this bill. The Department of Human Services supported the intent of this measure.

As affirmed by the records of votes of the members of your Committees on 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. 2041 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1222-08 Health/Human Services & Housing on S.B. No. 2857

The purpose of this bill is to ensure standards of quality for the growing home care industry by:

- (1) Requiring home care agencies to be licensed by the Department of Health (DOH); and
- (2) Appropriating funds for a position in DOH to assist with licensure and monitoring of home care agencies.

DOH and the Healthcare Association of Hawaii supported this bill.

Your committees find that it is necessary to license home care agencies to assure the public that minimum standards are being met. For example, licensure should require criminal background checks of home care staff who work in the homes of clients to provide personal care services.

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. 2857, 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1223-08 Health/Human Services & Housing on S.B. No. 3257

The purpose of this bill is to remove regulatory and government mandates that create barriers to transferring waitlisted patients by directing that the Department of Human Services (DHS) make a preliminary or "presumptive determination" to authorize medical assistance in the interval between the application for assistance and the final Medicaid eligibility determination.

The Healthcare Association of Hawaii, Kaiser Permanente, The Queen's Medical Center, the Hawaii Disability Rights Center, Hawaii Pacific Health, and the Hawaii Business Roundtable supported this bill. DHS opposed this measure.

Your Committees heard testimony from DHS stating that beginning March 1, 2008, it had implemented a five-day expedited process to determine eligibility of hospital waitlisted patients for QUEST or Medicaid coverage. It is the intention of your Committees to hold an informational briefing in April to hear more from DHS on how well this new program is working in providing waitlisted patients with proper coverage.

Your Committees have amended this bill by:

- (1) Removing a provision setting the number of days by which a patient had to provide proof of various qualifications to be presumptively eligible for Medicaid coverage;
- (2) Requiring proof of verification of assets as one of the qualifications to be presumptively eligible for Medicaid coverage;
- (3) Requiring that on the same day on which DHS receives an application, notification be provided by DHS to an applicant and the facility the applicant is being treated in;
- (4) Specifying that the applicant must submit any remaining documents necessary to qualify for Medicaid or QUEST coverage within ten business days after the determination of presumptive eligibility;
- (5) Requiring DHS to inform the person applying for Medicaid or QUEST coverage of the applicant's eligibility within five business days upon receiving the completed application;
- (6) Inserting an appropriation of \$200,000; 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 S.B. No. 3257, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3257, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1224-08 Tourism & Culture on S.B. No. 2583

The purpose of this bill is to improve Hawaii's Capital Cultural District by establishing the temporary Hawaii Capital Cultural District Task Force (Task Force) to review the current operations of the Hawaii State Art Museum (Museum) and the Museum's long range plans for operations and growth.

The Friends of the Hawaii State Museum and a concerned individual supported this bill. The Department of Accounting and General Services submitted comments.

Upon further consideration and in light of testimony submitted on this matter, your Committee has amended this measure by:

- (1) Adding the Executive Director of the State Foundation on Culture and the Arts to the Task Force;
- (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. 2583, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2583, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1225-08 Tourism & Culture on S.B. No. 2423

The purpose of this bill is to protect and preserve culturally valuable property in and around the Turtle Bay Hotel and Resort by, among other things:

- (1) Requiring the Governor or Governor's designee to immediately initiate negotiations with Kulima Resort Company, Oaktree Capital Management, LLC, and others holding interest in the property;
- (2) Requiring the Governor or Governor's designee, upon the determination that acquiring sole interest in the property is unfeasible, to enter into a cooperative agreement, if possible, with private or other public entities for the purpose of cooperatively acquiring the property;
- (3) Requiring the Governor or the Governor's designee to exercise the power of eminent domain if an agreement to acquire the property is not reached within a reasonable time; and
- (4) Allowing certain sources of funding to acquire the property.

The Governor, Department of Business, Economic Development, and Tourism, Kawaihapai Ohana, Ko'olauloa-North Shore Alliance, Sierra Club, Hawaii Chapter, Surfrider Foundation Oahu Chapter, Windward Ahupua'a Alliance, and numerous concerned individuals supported this bill. The Office of Hawaiian Affairs and The Trust for Public Land supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2423, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

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

SCRep. 1226-08 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 2501

The purpose of this bill is to support the State Highway Fund (Fund) and efforts to repair and maintain the state highway system by extending the assessment of the \$3-per-day rental motor vehicle surcharge tax (Surcharge Tax) to August 31, 2009, after which the Surcharge Tax reverts to \$2 per day. In addition, this bill requires the Department of Transportation (DOT) to study the financial requirements of the Fund and submit a final report, including proposed legislation for increasing revenue sources for the Fund to meet its ongoing and future needs, prior to the convening of the Regular Session of 2009.

The Department of Taxation and Catrala-Hawaii supported this bill. DOT supported the intent of this measure. The Tax Foundation of Hawaii submitted comments.

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. 2501, S.D. 2, H.D. 1, and recommend that it be referred to the Committee on Finance.

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

SCRep. 1227-08 Tourism & Culture/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2499

The purpose of this bill is to facilitate the establishment of kalo as the official state plant by changing the effective date of Act 36, Session Laws of Hawaii 2007 (Act 36), to July 1, 2008.

The Office of Hawaiian Affairs and Kawaihapai Ohana supported this bill.

Your Committees find that interested stakeholders and others throughout the state should be offered an opportunity to provide input on this important matter.

Therefore, your Committees have amended this measure by deleting the effective date of July 1, 2008, for Act 36 and, instead, making Act 36 effective only upon the completion of community dialogue with native Hawaiians, students from all islands, and those who identify themselves as Hawaiians, to be completed by the Department of Education through its existing curriculum.

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. 2499, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2499, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Berg, Sagum, Saiki, Wakai and Marumoto.

SCRep. 1228-08 Education on S.B. No. 2164

The purpose of this bill is to ensure the long-term viability of charter schools by providing for an alternative means of funding charter school facilities. Specifically, this bill creates and appropriates moneys into the Hawaii Charter School Facilities Fund, into which can be deposited both public and private funds. Funds will be used for grants, loans, or contracts to charter schools, nonprofit corporations that benefit charter schools, or contracts with private vendors for the repair, maintenance, acquisition, predevelopment, rehabilitation, construction, or other capital improvement projects of charter school facilities.

The Charter School Review Panel (Panel) and Office of Hawaiian Affairs testified in support of this bill. Kamehameha Schools supported the intent of this measure. The Na Lei Naauao Native Hawaiian Charter School Alliance and Hawaii Charter School Network supported this bill with amendments. The Department of the Attorney General and Department of Budget and Finance offered comments.

Your Committee has amended this bill by:

- (1) Clarifying that there are 23 start-up charter schools currently operating;
- (2) Specifying that the executive director of the Charter School Administrative Office (CSAO) is to serve on the Hawaii Charter School Facilities Fund Advisory Board (Advisory Board) as an ex-officio non-voting member;
- (3) Requiring the Panel, rather than CSAO, to appoint one member of the Advisory Board;
- (4) Requiring the Advisory Board, rather than CSAO, to establish criteria to be used in reviewing grant and loan proposals;
- (5) Deleting the specification that CSAO be held accountable for the use of funds provided to organizations or agencies through grants or contracts; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2164, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2164, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1229-08 Education on S.B. No. 2449

The purpose of this bill is to allow the minimum two-year statutory probationary periods for first-time teachers, principal, and vice-principals of the Department of Education (DOE) to be superseded and set by collective bargaining agreements.

DOE and the Hawaii State Teachers Association testified in support of this bill.

Your Committee has amended this bill by:

- (1) Repealing all statutory provisions relating to the probationary period for first-time teachers, principals, and vice-principals of DOE; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2449, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2449, 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 Bertram, Cabanilla, Chang, Saiki and Wakai.

SCRep. 1230-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 6

The purpose of this bill is to prohibit the sale of all Hawaiian species of edible opihi, with an exception for opihi shells of a certain size used to make curios and jewelry.

The Office of Hawaiian Affairs and Sierra Club-Hawaii Chapter testified in support of this bill. Tanioka's Seafoods and Catering, Yama's Fish Market, Inc., Boyd's Fish Market, Tamashiro Market, Inc., and numerous concerned individuals opposed this measure.

Your Committee has amended this bill by:

- (1) Inserting a sunset date of 15 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 S.B. No. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 6, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1231-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to issue long-term residential leases to additional qualified persons now residing in Kahana Valley on the island of Oahu, on the condition that lessees participate in the interpretive or caretaking programs at Kahana Valley State Park. This measure also establishes an Advisory Committee to advise DLNR on matters relating to the management of these leases.

DLNR and the Attorney General 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 S.B. No. 3, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1232-08 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on S.B. No. 3138

The purpose of this bill is to extend the deadline of a baseline environmental study required to establish the boundaries of an ocean recreation management area between Kalaeloa Point and Kaena Point on the Waianae Coast of Oahu and provide additional funding for its continued preparation.

Several concerned individuals testified in support of this bill. The Department of Land and Natural Resources 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 are in accord with the intent and purpose of S.B. No. 3138, 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 and Sagum.

SCRep. 1233-08 Water, Land, Ocean Resources & Hawaiian Affairs/Human Services & Housing on S.B. No. 2293

The purpose of this bill is to encourage the development of more affordable housing by exempting new privately financed multi-family for-sale housing condominium developments of 75 units or more per acre developed on privately owned lands from the Hawaii Housing Finance and Development Corporation (HHFDC) shared appreciation equity program. These developments would also qualify for a reduced term of 3 years for the occupancy requirements and transfer restrictions under Sections 201H-47 and 201H-49, Hawaii Revised Statutes.

HHFDC, Office of Hawaiian Affairs, Marshall Realty, Inc., Marcus & Associates, Inc., and several concerned individuals testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting provided comments.

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 S.B. No. 2293, 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, Magaoay, Saiki and Thielen.

SCRep. 1234-08 Labor & Public Employment on S.B. No. 1526

The purpose of this bill is to rectify the inadvertent omission of the salaries of the Administrative Director of the Courts (AD) and Deputy Administrative Director of the Courts (Deputy AD) from the salaries reviewed by the Commission on Salaries (Commission) by statutorily establishing the maximum amounts of these two salaries. Specifically, this bill establishes:

- (1) The salary of the AD at a level that is identical to that of the Administrative Director of the State (also known as the Governor's Chief of Staff); and
- (2) The salary of the Deputy AD at a level that is identical to the maximum salary for a deputy department head.

The Judiciary provided comments on this measure.

Act 299, Session Laws of Hawaii 2006, established the Commission on Salaries (Commission) to recommend the salary of the Governor, Lieutenant Governor, the members of the Legislature, justices and judges of all state courts, the Administrative Director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads of most state departments. However, the AD and Deputy AD were not included in the list of positions for consideration by the Commission. Your Committee has been informed by the Judiciary that rectifying this situation would require a constitutional amendment to provide the authority for the Commission to review and recommend salaries for these positions. This measure provides a temporary solution that will maintain fairness and equity among the salaries of the members of the Judiciary.

However, your Committee finds that tying the salaries of the AD and Deputy AD to the salaries of the Governor's Chief of Staff and deputy department heads may actually result in decreased salaries for these positions. Accordingly, your Committee has amended this bill by:

- (1) Setting the salary of the AD at 80 percent of the salary of the Chief Justice rather than tying the salary to the salary of the Governor's Chief of Staff; and

- (2) Setting the salary of the Deputy AD at 80 percent of the salary of the AD rather than tying the salary to the maximum salary of a deputy department head.

Your Committee has further amended this measure by:

- (1) Changing its effective date from June 30, 2050, to July 1, 2008; and
- (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. 1526, 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. 1526, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1235-08 Labor & Public Employment on S.B. No. 2876

The purpose of this bill is to support workforce and economic development by allocating Reed Act moneys out of the Unemployment Trust Fund to:

- (1) The four county workforce investment boards to improve employer outreach and services, labor force pool expansion, and capacity building, and to fund some shared costs for the operations of the one-stop career centers within each county; and
- (2) The Department of Labor and Industrial Relations (DLIR) to be used by the Workforce Development Council (WDC) to fund positions to identify additional funds and resources to support statewide workforce and economic development activities.

The Mayor of the City and County of Honolulu, Mayor of the County of Hawaii, Hawaii County Workforce Investment Board, Office of Housing and Community Development of the County of Hawaii, Kanoelehua Industrial Area Association, Inc., Oahu Workforce Investment Board, and several concerned individuals testified in support of this bill. The Attorney General provided comments.

The Reed Act is a provision in the Social Security Act that provides for the distribution of federal unemployment tax funds to state unemployment programs in the event that excess unemployment tax revenues are collected. In the 1990s the federal government distributed Reed Act moneys to the states, with Hawaii receiving approximately \$30 million.

However, to use these moneys, the Legislature had to pass legislation that conforms Hawaii law to certain federal requirements and then appropriate the funds. In 2006 and 2007, the Legislature did that and appropriated \$10 million for workforce and economic development purposes. By all accounts provided by the various stakeholders, these moneys were well spent and went a long way to accomplishing the goals of the WDC. However, more needs to be done.

Your Committee finds that the allocation of additional Reed Act moneys would further enhance the economic and workforce development of the residents of our state. However, it is the understanding of your Committee that neither the County of Kauai nor the County of Maui has requested additional Reed Act funding for their respective workforce investment boards and that DLIR has not requested Reed Act funds for the WDC. Accordingly, your Committee has amended this measure by deleting the provisions that allocated moneys to:

- (1) The Maui Workforce Investment Board;
- (2) The Kauai Workforce Investment Board; and
- (3) DLIR for use by the WDC.

Other technical, nonsubstantive amendments were 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. 2876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2876, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1236-08 Labor & Public Employment on S.B. No. 3005

The purpose of this bill is to protect the tax-qualified status of the Employees' Retirement System (ERS) by:

- (1) Eliminating optional membership in the ERS for elective officers;
- (2) Implementing a one-time irrevocable election by elective officers to be excluded from membership in the ERS; and
- (3) Providing that a retirant may return to service as an elective officer without suspension of their retirement benefits under certain conditions.

The Department of Budget and Finance and ERS Board of Trustees testified in support of this bill.

The Internal Revenue Service (IRS) is required to determine whether governmental public pension plans such as the ERS comply with federal income tax laws. As a result, the ERS is mandated to submit determination letters to the IRS and make remedial plan amendments based on a five-year cycle. This measure allows the ERS to comply with regulations under federal income tax laws, thus maintaining its tax-qualified status which benefits its membership.

However, your Committee finds that elective officers and judges who have reached the maximum retirement allowance and continue to be active members will continue to be required to contribute to the ERS without receiving added retirement benefits. This may be resolved by repealing the statutory cap on retirement benefits for elective officers and judges. Although it is unclear at this point what effect this action will have on the tax-exempt status of the ERS, this issue deserves further consideration.

Accordingly, your Committee has amended this bill by deleting its contents and inserting the provisions of H.B. No. 3083, H.D. 1. As amended, this measure continues to protect the tax-qualified status of the ERS with the same provisions but in addition, it repeals the statutory cap on retirement benefits for elective officers and judges.

Other technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3005, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3005, 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, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1237-08 Energy & Environmental Protection on S.B. No. 2842

The purpose of this bill is to encourage environmental stewardship and energy-efficiency in the use of lighting products by, among other things:

- (1) Beginning January 1, 2010, prohibiting the sale of general purpose lights that contain universal waste substances that would be prohibited in the European Union under the RoHS Directive;
- (2) Establishing lighting efficiency standards, in stages, for general purpose lights that increase the required lumens per watt and providing:
 - (A) That a violation constitutes a misdemeanor with specified fines; and
 - (B) For the development of consumer education programs by the Department of Health (DOH, to encourage the use of qualifying general purpose lights;
- (3) Requiring government agencies, to the extent possible, to use ENERGY STAR labeled lamps to provide the most efficient lighting; and
- (4) Appropriating funds to develop a statewide program for recycling mercury-containing compact fluorescent bulbs.

The Sierra Club-Hawaii Chapter, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., and Life of the Land testified in support of this bill. The Department of Business, Economic Development, and Tourism and National Electrical Manufacturers Association supported the intent of this measure. DOH opposed this bill.

Your Committee has amended this bill by replacing its contents with the similar provisions of House Bill No. 2504, H.D. 2, that, among other things:

- (1) Specifies that the ban on general purpose lights that contain toxic materials applies to general purpose lights that contain hazardous substances and exempts certain high output and very high output linear fluorescent lamps, with a review of the exemption beginning in 2014;
- (2) Regarding the establishment of lighting efficiency standards:
 - (A) Places the lighting efficiency standards in Chapter 342J, Hawaii Revised Statutes, relating to hazardous waste;
 - (B) Shortens the phase-in periods to meet the lumens per watt requirements;
 - (C) Provides unspecified fines for violations; and
 - (D) Authorizes DOH to recommend programs to encourage the sale of qualifying general purpose lights, rather than mandating DOH to develop consumer education programs;

and
- (3) Expands the statewide recycling program to encompass all fluorescent lamps, and deletes the appropriation provision.

Your Committee, while concerned with the environmental and public health impacts of hazardous materials in lighting products, is of the position that some necessary, time-limited exemptions for lighting products that are sold in the United States market but not in Europe are in order. Accordingly, your Committee has further amended this bill by:

- (1) Exempting from the ban on lights containing hazardous substances:
 - (A) High intensity discharge lamps and compact fluorescent lamps greater than nine inches in length, until December 31, 2011; and
 - (B) General service incandescent lamps and enhanced spectrum lamps, until December 31, 2013;
 and
- (2) Requiring that DOH, in its 2014 review of exempted lamps, consider changes in lamp design or manufacturing technology that will allow for the removal or reduction of mercury.

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. 2842, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2842, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1238-08 Economic Development & Business Concerns on S.B. No. 2748

The purpose of this bill is to ensure that an offeror and an offeror's workforce is qualified to perform work on a contract by requiring offerors to submit verifiable proof of all applicable general, subcontractor, and specialty contractor licenses along with their offer.

The Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The General Contractors Association of Hawaii, Waltz Engineering, Inc., Architectural & Engineering Systems, Inc., S & S Taylan Electric, Inc., Projects Plus, Inc., Healy Tibbitts Builders, Inc., Master Sheet Metal, Inc., Delta Construction Corporation, Building Industry Association of Hawaii, Lindemann Construction, Inc., Royal Contracting Co., Ltd., Royal Palm Group, Robert M. Kaya Builders, Inc., Ralph S. Inouye Co., Ltd., Ron's Construction Corporation, Marsh USA, Alpha Glass, Inc., and Hawaiian Dredging Construction Company opposed this measure. The Department of Accounting and General Services and State Procurement Office offered comments.

Licensing ensures that workers are qualified to perform work under a contract and have complied with related consumer protection requirements. This measure would provide a mechanism to exclude unlicensed workers from government contracts. However, your Committee feels that this requirement, as written, would vastly increase the workload of the State Procurement Office and also discourage competition for government contracts.

Upon consideration, your Committee has amended this bill by:

- (1) Requiring offerors to submit verifiable proof of applicable occupational licenses once they have been awarded a contract;
- (2) Changing the effective date to July 1, 2034, 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2748, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2748, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1239-08 Economic Development & Business Concerns on S.B. No. 2827

The purpose of this bill is to give offerors more timely access to the information required to determine if there is a need to file a protest of an award by:

- (1) Requiring that the purchasing agency give non-selected offerors written notification of their non-selection not later than the day prior to posting of the award; and
- (2) Specifying that information posted must include, where applicable:
 - (A) The names of offerors soliciting the award;
 - (B) The evaluation scores of the acceptable and potentially acceptable proposal, and the names of priority-listed offerors and their scores if a best and final offer was requested;
 - (C) The name of the successful offeror and dollar amount of the award; and
 - (D) The basis for making the award to the successful offeror.

The Department of Accounting and General Services and the State Procurement Office submitted testimony supporting the intent of this measure.

Your Committee finds that giving non-selected bidders information they need to protest an award will greatly assist in making the procurement process transparent and fair. However, your Committee also has concerns about the requirement that notification of non-selection be sent one day prior to posting of awards. Your Committee also feels that the current five-day period within which non-selected offerors must file a protest is inadequate.

Your Committee has amended this measure by:

- (1) Requiring that written notification be sent to non-selected bidders not later than the day the award is posted;
- (2) Increasing the period in which a non-selected bidder may file a protest from five to seven days; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2827, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2827, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Chang.

SCRep. 1240-08 Human Services & Housing/Health on H.R. No. 21

The purpose of this resolution is to urge the Department of Health (DOH) and Department of Human Services (DHS) to work together to develop a standardized, uniform, industry-friendly policy to protect the elderly without compromising resident care, and that encourages more people to become operators of adult residential care homes or adult foster homes.

DOH, the National Federation of Filipino American Associations Region XII, Filipino American Citizens League, Filipino Coalition for Solidarity, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, United Filipino Council of Hawaii, Congress of Visayan Organizations, Hawaii Coalition of Caregivers, United Group of Home Operators, Alliance of Residential Care Administrators, The Primary Care Providers, and many concerned individuals testified in support of this resolution. DHS supported the intent of this measure.

Your Committees have amended this resolution by:

- (1) Changing its title to read: "URGING THE DEPARTMENTS OF HEALTH AND HUMAN SERVICES TO WORK TOGETHER TO DEVELOP A STANDARDIZED, WORKABLE POLICY TO PROTECT THE ELDERLY WITHOUT COMPROMISING RESIDENT CARE, AND THAT ENCOURAGES MORE PEOPLE TO BECOME ADULT RESIDENTIAL CARE HOME OR COMMUNITY CARE FOSTER FAMILY HOME OPERATORS";
- (2) Changing its scope by replacing adult foster homes with community care foster family homes; 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. 21, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 21, H.D. 1.

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

SCRep. 1241-08 Human Services & Housing/Health on H.C.R. No. 21

The purpose of this concurrent resolution is to urge the Department of Health (DOH) and Department of Human Services (DHS) to work together to develop a standardized, uniform, industry-friendly policy to protect the elderly without compromising resident care, and that encourages more people to become operators of adult residential care homes or adult foster homes.

DOH, the National Federation of Filipino American Associations Region XII, Filipino American Citizens League, Filipino Coalition for Solidarity, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, United Filipino Council of Hawaii, Congress of Visayan Organizations, Hawaii Coalition of Caregivers, United Group of Home Operators, Alliance of Residential Care Administrators, The Primary Care Providers, and many concerned individuals testified in support of this concurrent resolution. DHS supported the intent of this measure.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "URGING THE DEPARTMENTS OF HEALTH AND HUMAN SERVICES TO WORK TOGETHER TO DEVELOP A STANDARDIZED, WORKABLE POLICY TO PROTECT THE ELDERLY WITHOUT COMPROMISING RESIDENT CARE, AND THAT ENCOURAGES MORE PEOPLE TO BECOME ADULT RESIDENTIAL CARE HOME OR COMMUNITY CARE FOSTER FAMILY HOME OPERATORS";
- (2) Changing its scope by replacing adult foster homes with community care foster family homes; 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. 21, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 21, H.D. 1.

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

SCRep. 1242-08 Health on H.R. No. 49

The purpose of this resolution is to eliminate the problems faced by legal medical marijuana cardholders of Maui County and to meet their medical needs by requesting the Maui County Mayor and County Council to implement various measures regarding medical marijuana in the County of Maui.

The Drug Policy Forum, Drug Policy Action Group, and several concerned individuals support this resolution. The Department of Public Safety and the Police Department of Maui County opposed this resolution.

Your Committee has amended this resolution by

- (1) Requesting the Community Oversight Committee to:
- (a) Identify procedures to obtain licenses;
 - (b) Focus on growing standards;
 - (c) Develop a legal distribution system;
- (2) Adding to the community oversight committee:
- (a) The Director of the Office of Public Safety or designee;
 - (b) The Director of the Department of Health or designee;
 - (c) The Director of the Department of Agriculture or designee;

Your Committee recognizes that there were two thousand eight hundred petitioners from Maui in favor of this resolution. Your Committee would also like to recognize that there exists an initiative called the Maui County Family Farmer Regulation and Revenue Ordinance which mirrors the contents of this house 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.R. No. 49, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 49, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Belatti, Cabanilla and Ward. (Representative Tokioka voted no.)

SCRep. 1243-08 Health on H.C.R. No. 49

The purpose of this concurrent resolution is to eliminate the problems faced by legal medical marijuana cardholders of Maui County and to meet their medical needs by requesting the Maui County Mayor and County Council to implement various measures regarding medical marijuana in the County of Maui.

The Drug Policy Forum, Drug Policy Action Group, and several concerned individuals support this concurrent resolution. The Department of Public Safety and the Police Department of Maui County opposed this concurrent resolution.

Your Committee has amended this concurrent resolution by

- (1) Requesting the Community Oversight Committee to:
- (a) Identify procedures to obtain licenses;
 - (b) Focus on growing standards;
 - (c) Develop a legal distribution system;
- (2) Adding to the community oversight committee:
- (a) The Director of the Office of Public Safety or designee;
 - (b) The Director of the Department of Health or designee;

(c) The Director of the Department of Agriculture or designee;

Your Committee recognizes that there were two thousand eight hundred petitioners from Maui in favor of this concurrent resolution. Your Committee would also like to recognize that there exists an initiative called the Maui County Family Farmer Regulation and Revenue Ordinance which mirrors the contents of this house 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. 49, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 49, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Belatti, Cabanilla and Ward. (Representative Tokioka voted no.)

SCRep. 1244-08 Health on H.R. No. 125

The purpose of this resolution is to ensure fair and equitable reimbursements to health care providers by private insurance companies by urging the Attorney General to initiate an investigation and corporate audit of the Hawaii Medical Services Association's practice of:

- (1) Maintaining an excessive surplus;
- (2) Providing large bonuses to staff; and
- (3) Reimbursement patterns over the past ten years;

to determine if the charitable return to the community justifies its nonprofit status.

The Office of the Attorney General opposed this resolution. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this resolution by changing the Attorney General to Insurance Commissioner as the one to initiate the investigation.

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. 125, as amended herein, and recommends that it be referred to the Committees on Consumer Protection & Commerce and Judiciary in the form attached hereto as H.R. No. 125, H.D. 1.

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

SCRep. 1245-08 Health on H.C.R. No. 146

The purpose of this concurrent resolution is to ensure fair and equitable reimbursements to health care providers by private insurance companies by urging the Attorney General to initiate an investigation and corporate audit of the Hawaii Medical Services Association's practice of:

- (1) Maintaining an excessive surplus;
- (2) Providing large bonuses to staff; and
- (3) Reimbursement patterns over the past ten years;

to determine if the charitable return to the community justifies its nonprofit status.

The Office of the Attorney General opposed this concurrent resolution. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee has amended this concurrent resolution by changing the Attorney General to Insurance Commissioner as the one to initiate the investigation.

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. 146, as amended herein, and recommends that it be referred to the Committees on Consumer Protection & Commerce and Judiciary in the form attached hereto as H.C.R. No. 146, H.D. 1.

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

SCRep. 1246-08 Health/Human Services & Housing on H.R. No. 113

The purpose of this resolution is to address the problem of the adequate supply of acute care and long-term care facility space and ensure access to quality care at the appropriate level for all of Hawaii's residents by requesting the director of health to convene and facilitate a

blue ribbon panel to perform a comprehensive inventory of all of Hawaii's acute care and long-term care facilities and to make recommendations for necessary expansion of such facilities for the state between now and the year 2020.

The Hawaii County Council County of Hawai'i, Hawaii Pacific Health, Healthcare Association of Hawaii, Kaiser Permanente, Hawaii Health Systems Corporation, Policy Advisory Board for Elder Affairs, Hawaii Long Term Care Association supports this resolution. The Department of Health submitted comments.

Your Committee notes that this work group is to provide basic information and is the first step to gaining more insight for future initiatives.

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. 113 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1247-08 Health/Human Services & Housing on H.C.R. No. 131

The purpose of this concurrent resolution is to address the problem of the adequate supply of acute care and long-term care facility space and ensure access to quality care at the appropriate level for all of Hawaii's residents by requesting the director of health to convene and facilitate a blue ribbon panel to perform a comprehensive inventory of all of Hawaii's acute care and long-term care facilities and to make recommendations for necessary expansion of such facilities for the state between now and the year 2020.

The Hawaii County Council County of Hawai'i, Hawaii Pacific Health, Healthcare Association of Hawaii, Kaiser Permanente, Hawaii Health Systems Corporation, Policy Advisory Board for Elder Affairs, Hawaii Long Term Care Association supports this concurrent resolution. The Department of Health submitted comments.

Your Committee notes that this work group is to provide basic information and is the first step to gaining more insight for future initiatives.

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. 131 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1248-08 Education on H.R. No. 70

The purpose of this measure is to request the Department of Education to replace all incandescent bulbs to more energy efficient and ecologically friendly Compact Fluorescent Lighting.

The Department of Education and Hawaiian Electric Company testified in support of the resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 70 and recommends that it be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 1249-08 Education on H.C.R. No. 86

The purpose of this measure is to request the Department of Education to replace all incandescent bulbs to more energy efficient and ecologically friendly Compact Fluorescent Lighting.

The Department of Education and Hawaiian Electric Company testified in support of the resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86 and recommends that it be referred to the Committee on Energy & Environmental Protection.

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

SCRep. 1250-08 Education on H.C.R. No. 141

The purpose of this measure is to request the Department of Education to create a task force to evaluate establishing a comprehensive recycling program in Hawaii's public schools.

The Department of Education testified in support of the measure.

Your committee has amended this measure by:

- (1) Moving the task force and its responsibilities from the Department of Education to the University Of Hawaii College Of Social Sciences Public Policy Center.
- (2) Changing the title to reflect the content of the resolution.
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 141, as amended herein, and recommends that it be referred to the Committee on Energy & Environmental Protection in the form attached hereto as H.C.R. No. 141, H.D. 1.

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

SCRep. 1251-08 Education on H.C.R. No. 123

The purpose of this measure is to request to the Hawaii Teachers Standards Board (HTSB) to conduct a study on the appropriate accountability structure for the HTSB.

The Hawaii State Teachers Association testified in support of the measure. The Department of Education, HTSB, and a concerned individual made comments on the resolution.

Your committee has amended this measure by:

- (1) Adding language to increasing the scope of the study to include models from other states.
- (2) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 123, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 123, H.D. 1.

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

SCRep. 1252-08 Transportation on S.B. No. 2441

The purpose of this bill is to expedite project delivery and save time and money on state highway projects by requiring county councils to exempt, by resolution, the Department of Transportation (DOT) from the requirements of county subdivision regulations for acquisition of lands for state highway projects.

DOT, The Chamber of Commerce of Hawaii, Hawaii Building and Construction Trades Council, AFL-CIO, and a concerned individual testified in support of this bill. The Department of Planning and Permitting of the City and County of Honolulu testified in opposition to this measure.

The current highway project delivery process used by DOT is lengthy, involving long-range planning processes, prolonged environmental studies, public notice and input requirements, and legislative approvals for both the concept and budget of each project. In addition, the State Highways Division of DOT must also meet requirements of a county subdivision approval process, including applications, fees, tax clearances, and responses to numerous reviewing agencies, and requiring owners to sign-off on subdivision applications prior to the completion of negotiations, and the filing of comprehensive and separate subdivision maps for each owner. This duplicative process has lengthened the highway project delivery process, putting projects at risk of lapsing state and federal funds. Your Committee finds that this measure will make the highway delivery process more efficient and will allow DOT to provide necessary infrastructure in a more timely manner.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2441, 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 Har, McKelvey, Nakasone, Sonson, Takumi and Meyer.

SCRep. 1253-08 Transportation on S.B. No. 2245

The purpose of this bill is to protect the safety and welfare of children by:

- (1) Making it a violation of the Statewide Traffic Code for the vehicle operator or an adult passenger to leave a child under the age of nine, unattended in a vehicle for five or more minutes;
- (2) Allowing law enforcement, firefighter, or rescue team personnel to use whatever means are reasonably necessary to protect the unattended child or others and to remove the unattended child from the motor vehicle, if they determine that the child is in physical danger or poses a danger to others;

- (3) Requiring law enforcement, firefighter, or rescue team personnel to immediately report the matter to a police officer if the person having care or custody of the unattended child cannot be located within a reasonable time;
- (4) Allowing the police officer to whom the matter is reported to assume protective custody of the child without a court order or consent of the child's family;
- (5) Including testing of an applicant's knowledge of this new violation on the driver's licensing examination; and
- (6) Requiring rental car companies to post notice of this new law in their rental vehicles.

The Office of the Governor, Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, State Farm Automobile Insurance Company, and a concerned individual testified in support of this bill. The Department of Human Services supported the intent of this measure.

Each year, a significant number of children are left unattended in vehicles. Although many of these cases occur within the continental United States, Hawaii has had its share of cases in which children have been left alone in a vehicle for prolonged periods of time. Unfortunately, the consequences of such action can be devastating. A 2003 Centers for Disease Control and Prevention study reported that during July 2000 to June 2001, an estimated 9,160 nonfatal injuries and 78 fatal injuries occurred when children under the age of 15 were left unattended in or around motor vehicles that were not in traffic. More recently, media reports have noted that 35 children nationwide and two in Hawaii died in 2007 from being left alone in a car. Your Committee finds this to be unacceptable and that the children of Hawaii must be protected from these senseless and preventable acts.

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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2245, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2245, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, McKelvey, Nakasone, Sonson, Takumi and Meyer.

SCRep. 1254-08 Transportation on S.B. No. 2094

The purpose of this bill is to simplify the process of obtaining a Hawaii drivers license for applicants holding a valid driver's 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, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, or any of the federal government's political subdivisions, territories, or commonwealths by allowing the Examiner of Drivers to waive the knowledge test of the rules of the road, in addition to the actual performance test of the ability to operate a vehicle for these individuals.

A concerned individual testified in support of this bill. The Department of Transportation and Department of Customer Services of the City and County of Honolulu (DCS) supported the intent of this measure.

Current law allows drivers with a valid driver's license from another state and various other jurisdictions of United States to drive on our roadways. However, to obtain a Hawaii driver's license, these drivers 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. While this written examination of the rules of the road must be taken and passed, the actual demonstration of driving skills currently may be waived by the Examiner of Drivers.

Your Committee finds that since many jurisdictions throughout the United States accept each others driver's licenses on a reciprocal basis, Hawaii should allow the Examiner of Drivers to waive the knowledge exam for driver license applicants from certain jurisdictions. However, your Committee has been notified by DCS that the standards of the driver licensing programs in the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are unknown and their driver's licenses are not recognized as valid by any jurisdiction within the United States.

Accordingly, your Committee has amended this bill by deleting the provision allowing for the knowledge test and test to actually demonstrate the ability to operate a motor vehicle to be waived for individuals from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, while maintaining the waiver for the other jurisdictions specified in this measure.

Your Committee has also amended this measure by:

- (1) Changing its effective date from July 1, 2050, 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2094, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2094, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Har, McKelvey, Nakasone, Sonson, Takumi and Meyer.

SCRep. 1255-08 Transportation/Public Safety & Military Affairs on S.B. No. 3240

The purpose of this bill is to:

- (1) Extend the term of a license from six to eight years for persons who are 25 to 71 years of age;
- (2) Reduce the term of a license from six to four years for persons who are 19 to 24 years of age;
- (3) Authorize the examiner of drivers to issue a license for an unspecified, shorter period of time if the examiner determines a person's ability to drive is impaired due to a physical condition;
- (4) Allow the license of a member of the U.S. armed forces that has expired while that person was on active federal service outside of the country to remain valid for 90 days after the person returns to the U.S.; and
- (5) Repeal provisions that would allow a person whose driving ability was determined impaired to:
 - (A) Obtain certification from a physician confirming that the person's ability to drive is not impaired by the person's physical condition;
 - (B) Correct the physical impairment; or
 - (C) Drive safely by using a vehicle adapted to overcome the physical impairment.

The Department of Transportation, State Department of Defense, and a concerned individual testified in support of this bill. The Department of Customer Services (DCS) of the City and County of Honolulu supported the intent of this measure. A concerned individual testified in opposition to this bill.

Your Committees note that DCS requested additional time to allow for proper programming of their computers to allow for the changes in the length of time for license renewals and to accommodate the exemptions for service members. Accordingly, Your Committee has amended this measure by:

- (1) Changing the effective date for the provision to allow the license of a member of the U.S. armed forces that has expired while that person was on active federal service outside of the country to remain valid for 90 days after the person returns to the U.S. to upon its approval and the effective date for the other provisions to November 3, 2008, to address the concerns raised by DCS; and
- (2) Making technical amendments to ensure that the amendments to section 286-106 are preserved when that section is reenacted pursuant to Act 72, Session Laws of Hawaii 2005, which would have automatically repealed these amendments on January 9, 2011.

Other 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 Transportation and Public Safety & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3240, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3240, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Nakasone, Sonson, Finnegan, Meyer and Pine.

SCRep. 1256-08 Consumer Protection & Commerce on S.B. No. 2991

The purpose of this bill is to address deficiencies in the statutes governing the coordination of energy resources by:

- (1) Refining the Energy Resources Law under Chapter 196, Hawaii Revised Statutes; and
- (2) Providing policy guidance:
 - (A) On the nature and relationship of energy data analyses to the State's energy program; and
 - (B) Clearly delineating the analytic roles and responsibilities of state agencies conducting energy data functions.

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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2991, 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 McKelvey, Sonson and Yamashita.

SCRep. 1257-08 Consumer Protection & Commerce on S.B. No. 3030

The purpose of this bill is to provide financial resources for the regulation of mixed martial arts (MMA) contests by:

- (1) Increasing the license fee imposed on gate receipts of professional MMA contests beginning in fiscal year 2009-2010;
- (2) Clarifying that the two percent fee on gross receipts from telecasts of an event includes pay-per-view telecasts and is not restricted to telecasts in Hawaii; and
- (3) Requiring each MMA promoter to pay an additional surcharge fee for fiscal year 2007-2008 and 2008-2009 to cover the cost of implementing the Mixed Martial Arts Contests Law under Chapter 440E, Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3030, 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 McKelvey, Sonson and Yamashita.

SCRep. 1258-08 Consumer Protection & Commerce on S.B. No. 2530

The purpose of this bill is to increase access to health insurance by requiring group health insurers to offer small group health plans to certain self-employed individuals located in the group health insurer's service areas, subject to the Insurance Commissioner's ability to exempt insurers who are unable to adequately deliver these services given their existing obligations.

This bill also places certain restrictions on periods of enrollment and reenrollment in these group health plans.

The Department of Commerce and Consumer Affairs (DCCA) testified in support of this bill. The Chamber of Commerce of Hawaii, Hawaii Association of REALTORS, Kaiser Permanente, and Hawaii Medical Service Association supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Clarifying that this measure applies to self-employed individuals whose businesses are registered, not licensed, by DCCA; and
- (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. 2530, 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. 2530, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Yamashita.

SCRep. 1259-08 Consumer Protection & Commerce on S.B. No. 2191

The purpose of this bill is to promote the public health and safety by requiring the Public Utilities Commission (PUC) to conduct a statewide study focusing on one priority region per county where utility lines are prone to falling or damage, for the purpose of developing a plan, in consultation with utilities and communities, to place overhead utility lines underground.

Several concerned individuals testified in support of this bill. The Consumer Advocate and PUC submitted comments.

Your Committee finds that the damage caused by, and the extended power outages resulting from, downed utility lines is a matter of grave concern that significantly impacts upon the public health, safety, and welfare. It is therefore the belief of your Committee that this is a matter of civil defense, and that it should be the responsibility of the Civil Defense Division of the Department of Defense to undertake a study with regard to the undergrounding of utility lines on a statewide level.

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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2191, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2191, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1260-08 Consumer Protection & Commerce on S.B. No. 2315

The purpose of this bill is to recognize a reciprocal insurer and its attorney-in-fact as a single entity that qualifies for the general excise tax exemption for insurers.

This bill also clarifies that the general excise tax exemption for insurance companies applies to "insurers," including a reciprocal insurer and its attorney-in-fact, authorized to do business under Chapter 431, Hawaii Revised Statutes (HRS).

The Department of Commerce and Consumer Affairs, Hawaii Medical Association, and Medical Insurance Exchange of California testified in support of this bill. The Department of Taxation supported the intent of this measure.

A reciprocal insurer provides insurance through unincorporated associations of individuals, partnerships, or corporations called "subscribers." The reciprocal insurer is directly owned by its policyholders. Under current law, the reciprocal insurer is required to appoint an attorney-in-fact through which the reciprocal insurer operates.

Section 237-29.7, HRS, exempts "insurance companies authorized to do business under chapter 431" from paying the general excise tax, as long as the insurance company has paid the insurance premium tax under section 431:7-204, HRS. The Insurance Division has recognized a reciprocal insurer and its attorney-in-fact as a single entity for regulatory purposes. However, because Chapter 237, HRS (general excise tax law) does not expressly define the attorney-in-fact as being part of the reciprocal insurer, the general excise tax exemption has been interpreted as inapplicable to the gross income or gross proceeds earned by the attorney-in-fact for services rendered on behalf of the reciprocal insurer.

As a result, a reciprocal insurer and its attorney-in-fact have been singled out and subject to the general excise tax. This ultimately affects the premium rates paid by subscribers who are the owners and insureds of the reciprocal insurer.

This bill seeks to ensure that a reciprocal insurer and its attorney-in-fact are treated as a single entity that qualifies for the general excise tax exemption.

Your Committee has amended this bill by replacing its entire contents with the provisions of H.B. No. 2248, H.D. 2. As amended, this bill differs from the draft received by your Committee by:

- (1) Excluding language referring to the attorney-in-fact as a "corporate" attorney-in-fact;
- (2) Specifying in the amendments made to the in-lieu provision of the Insurance Code that the tax exemption for a reciprocal insurer's attorney-in-fact under this bill is a general excise tax exemption under Chapter 237, HRS;
- (3) Taking effect on July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2315, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2315, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Green, Ito and Sonson.

SCRep. 1261-08 Consumer Protection & Commerce/Judiciary on S.B. No. 2313

The purpose of this bill is to combat insurance fraud by, among other things:

- (1) Expanding the Insurance Division's ability to investigate and prosecute insurance fraud in all lines of insurance, except workers' compensation insurance;
- (2) Expanding the scope of the criminal offense of insurance fraud, which currently applies only to the filing of claims, to include the filing of false insurance applications and fraudulent sales of insurance; and
- (3) Allowing the filing of administrative and civil insurance fraud actions.

The Department of Commerce and Consumer Affairs, National Association of Insurance and Financial Advisors, Hawaii Association of Health Plans, Property Casualty Insurers Association of America, Hawaii Medical Service Association, and State Farm Insurance Companies testified in support of this bill. The Department of the Attorney General (AG) and American Council of Life Insurers supported the intent of this measure. ILWU Local 142 submitted comments.

Your Committees have amended this bill by:

- (1) Giving the AG the exclusive discretion to designate special deputy attorneys general representing the State in any criminal, civil, or administrative proceeding on insurance fraud;
- (2) Changing the definition of the term "knowingly," as used in the provision allowing administrative actions against persons found to have knowingly committed insurance fraud, to have the same meaning as that term is defined in the Penal Code; and
- (3) Requiring the Insurance Division's Insurance Fraud Investigations Branch to work with insurers and licensees who discover information indicating insurance fraud violations, to determine what information the insurer or licensee must provide to the Branch.

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. 2313, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2313, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1262-08 Consumer Protection & Commerce/Judiciary on S.B. No. 3006

The purpose of this bill is to streamline and clarify the business registration laws by making statutory housekeeping amendments to correct errors, ambiguities, and inconsistencies.

The Department of Commerce and Consumer Affairs and several concerned individuals testified in support of this bill. A concerned individual submitted comments.

Your Committees have amended this bill by making technical amendments to remove ambiguities and inconsistencies in the statutory amendments made by this bill.

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. 3006, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3006, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1263-08 Consumer Protection & Commerce/Judiciary on S.B. No. 3020

The purpose of this bill is to improve the regulation of activities under the jurisdiction of the Insurance Commissioner by, among other things:

- (1) Providing for the automatic inactivation of the license or registration of a surplus line broker, reinsurance intermediary, managing general agent, vehicle protection product warrantor (Warrantor), or service contract provider (Provider) for failing to make timely payments of license or registration fees;
- (2) Amending the continuing education requirements for insurance producers to, among other things, include ethics training;
- (3) Requiring Warrantor and Provider registration records to be updated annually or within 30 days of any change, whichever is sooner; and
- (4) Providing Warrantors and Providers greater flexibility in selecting a qualified insurer to provide its reimbursement insurance policies or contractual liability insurance policies, respectively.

The National Association of Insurance and Financial Advisors-Hawaii testified in support of this bill. The American Council of Life Insurers supported the intent of this measure. The Hawaii Independent Insurance Agents supported this bill with amendments.

Your Committees have amended this bill by replacing its substance with the provisions of H.B. No. 3098, H.D. 1. As amended, this bill differs from the draft received by your Committee by:

- (1) Changing the continuing education requirements for insurance producers to the following:
 - (A) For a license to sell single lines of insurance, 20 total credit hours, including 17 credit hours relating to the line of insurance and three credit hours relating either to ethics training or to insurance laws and rules; and
 - (B) For a license to sell multiple line of insurance, 24 total credit hours, including four combined credit hours relating to either ethics training or insurance laws and rules and the remaining combined credit hours relating to the lines of insurance;
- (2) Requiring Warrantor and Provider registration records to be updated annually or within 60 days of any change, whichever is sooner;
- (3) Providing that Warrantors and Providers who fail to make timely payment of registration fees face a penalty of 25 percent of unpaid fees, to be paid within 60 days from the date of automatic inactivation of the registration; and
- (4) 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 S.B. No. 3020, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3020, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1264-08 Consumer Protection & Commerce/Judiciary on S.B. No. 3171

The purpose of this bill is to protect consumers who donate to charities by, among other things:

- (1) Requiring charitable organizations, with certain exemptions, to register and file annual financial reports with the Attorney General (AG);

- (2) Requiring audited financial statements for charities with over \$1,000,000 in gross revenue for the year covered by the annual financial report;
- (3) Establishing financial report filing fees based upon the charitable organization's income;
- (4) Authorizing the AG to issue subpoenas to investigate suspected violations;
- (5) Requiring professional solicitors to report national and local gross revenues from a solicitation activity or campaign in financial reports to the AG;
- (6) Prohibiting charities from using the services of an unregistered professional solicitor or professional fundraising counsel;
- (7) Enhancing the registration requirements for professional fundraising counsel and professional solicitors; and
- (8) Appropriating funds to meet the AG's additional staffing needs in carrying out the purposes of this bill.

The Children's Alliance of Hawaii, Inc., and Nature Conservancy of Hawaii testified in support of this bill. The Hawaii Alliance of Nonprofit Organizations supported the intent of this measure. The Domestic Violence Action Center opposed this bill. The AG submitted comments.

Your Committees have amended this bill by:

- (1) Allowing a parent organization to submit a consolidated registration application for itself and any of its related foundations, supporting organizations, chapters, branches, or affiliates in Hawaii;
- (2) Lowering the gross revenue threshold for the mandatory filing of audited financial statements, from \$1,000,000 to \$500,000;
- (3) Lowering from \$20,000 to \$1,000, the total amount of monetary penalties that may be imposed for failing to file a financial report or return, to match the cap on administrative fines for other violations of the law under section 467B-9.7(b)(3), Hawaii Revised Statutes;
- (4) Delaying the start of the new registration and financial reporting requirements until November 15, 2008; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3171, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3171, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1265-08 Health on S.B. No. 2159

The purpose of this bill is to protect consumers of mental health services by continuing the regulation of mental health counselors. Specifically, this bill repeals the sunset date of the licensing program for mental health counselors in Chapter 453D, Hawaii Revised Statutes.

The Office of the Auditor, Kaiser Permanente, Hawaii Rehabilitation Counseling Association, Alliance for Professional Counselor Licensure, and many concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Adding licensed mental health counselors to the list of practitioners who may provide mental health services that must be covered under health insurance policies under chapter 431M, Hawaii Revised Statutes; 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. 2159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2159, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1266-08 Health on S.B. No. 2804

The purpose of this bill is to update Hawaii's statutes in regard to food safety by providing that a meat or a meat product is adulterated if it is treated with gas or other technology for the sole purpose of enhancing color.

The Hawaii Teamsters and Allied Workers, Local 996 supported this bill. The Hawaii Food Industry Association opposed this measure. The Department of Agriculture and National Meat Association submitted comments.

Your Committee heard testimony stating that the use of carbon monoxide gas (CO) on meat products is currently prohibited, but CO is currently used on fish by the food industry to prevent discoloration, especially fish with pink flesh such as tuna and salmon which are popularly used in sushi. Your Committee on Consumer Protection and Commerce is respectfully requested to look further into this matter to determine why the use of CO is not allowed for color enhancement in meat yet is considered safe for fish.

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 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. 2804, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2804, 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1267-08 Health on S.B. No. 3015

The purpose of this bill is to help protect consumers of health insurance by prohibiting certain practices by managed care plans, including:

- (1) Disenrollment from a health plan because of a medical condition;
- (2) Withdrawal of authorization by the health plan for a procedure after the provider has provided or begins to provide health care services;
- (3) Health insurance contract modifications during the term of the contract, unless the modifications are agreed upon;
- (4) Post claims underwriting, such as terminating an individual's health plan coverage because the insurer discovers a medical condition that the individual did not know about at the time of underwriting; and
- (5) Establishing an eligible charge for a nonparticipating provider service that is different from the eligible charge paid for the same service rendered by a participating provider.

The Department of Commerce and Consumer Affairs supported this bill.

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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3015, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3015, 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 Awana, Belatti, Cabanilla and Shimabukuro.

SCRep. 1268-08 Public Safety & Military Affairs on S.B. No. 2524

The purpose of this bill is to ensure proper mental health treatment to Hawaii's prisoner population suffering from mental illness, including schizophrenia, bipolar disorder, and major depression by requiring the Department of Public Safety (DPS) to conduct a study of the feasibility of creating separate forensic treatment facilities for mentally ill prisoners in all community correctional centers or, in the alternative, a separate, centralized forensic treatment facility.

The Hawaii Government Employees Association, Community Alliance on Prisons, and a concerned individual supported this bill. DPS opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting provisions dealing with creating a forensic facility to treat mentally ill prisoners;
- (2) Focusing on ensuring medical treatment within existing correctional facilities and changing disciplinary strategies for mentally ill prisoners;
- (3) Inserting an appropriation of \$5,000 to implement a feasibility study; 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 S.B. No. 2524, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2524, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Nishimoto, Souki and Finnegan.

SCRep. 1269-08 Agriculture/Energy & Environmental Protection on S.B. No. 2467

The purpose of this bill is to improve the financial viability of agricultural and aquacultural operations and encourage energy self-sufficiency by:

- (1) Incorporating loans for farm sustainable projects into the existing agricultural loan program under Chapter 155, Hawaii Revised Statutes (HRS), and loans for aquacultural sustainable projects into the existing aquacultural loan program under Chapter 219, HRS; and
- (2) Establishing specific permitted uses and eligibility requirements for the loans for farm sustainable projects and aquaculture sustainable projects.

The Department of Agriculture, Hawaii Farm Bureau Federation, Hamakua Springs Country Farms, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, BlueEarth Biofuels, Hawaii Crop Improvement Association, and the Hawaii Aquaculture Association supported this bill. Life of the Land offered comments.

Your Committees recognize that concerns were raised regarding the fact that the farm and aquacultural sustainable projects are primarily intended to ensure the viability of farming and aquacultural operations, rather than environmental, health, or climate sustainability. Concerns were also raised regarding the inclusion of biodiesel and ethanol projects, which are considered by some to be particularly harmful to the environment. Your Committees support future legislative efforts to further address these concerns.

Your Committees have amended this measure by:

- (1) Reducing the interest rate for farm sustainable project loans from five to three percent per year;
- (2) Changing its 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 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. 2467, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2467, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Magaoay, Saiki, Wakai, Meyer and Thielen.

SCRep. 1270-08 Agriculture/Energy & Environmental Protection on S.B. No. 2850

The purpose of this bill is to prevent and control the importation and spread of pests by:

- (1) Statutorily establishing the Department of Agriculture's (DOA's) Biosecurity Program (Program); and
- (2) Providing funding for the Program, and for the planning of interim and permanent joint inspection biosecurity facilities.

DOA, Department of Transportation, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Conservation Council for Hawaii, and the Coordinating Group on Alien Pest Species supported this bill. The Department of Land and Natural Resources submitted comments.

Your Committees encourage DOA to continue its ongoing risk assessments with respect to invasive species prevention and control, with particular emphasis on preventing the spread of invasive species from one island to another. In addition, your Committees urge DOA to continue its efforts to communicate with stakeholders regarding its plans to implement the Program.

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 Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2850, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2850, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Magaoay, Saiki, Wakai, Meyer and Thielen.

SCRep. 1271-08 International Affairs on S.B. No. 520

The purpose of this bill is to establish the Peace Mission Committee within the Office of International Affairs to promote peace and goodwill with other nations and international organizations.

The Department of Business, Economic Development, and Tourism supported the concept of this bill.

Your Committee has amended this bill by:

- (1) Removing the provisions establishing the Peace Mission Committee;
- (2) Establishing the Legislative Protocol Fund to extend protocol courtesies to visiting international dignitaries and government officials;
- (3) Expanding the scope of the Office of International Affairs (Office);
- (4) Appropriating funds to hire an executive director and administrative assistant for the Office; 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 International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 520, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 520, 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 and Shimabukuro.

SCRep. 1272-08 Human Services & Housing on S.B. No. 2886

The purpose of this bill is to deter acts of child abandonment by:

- (1) Establishing the offense of "abandonment of a child in the second degree" and makes it a misdemeanor to abandon a child by leaving the child with a person in reckless disregard of the risk that the person's identity and work and home addresses are unknown; and
- (2) Renaming the existing offense of "abandonment of a child" as "abandonment of a child in the first degree" and increasing the offense to a class C felony.

The Honolulu Police Department (HPD) opposed this bill.

Your Committee recognizes the concerns raised by HPD that include what constitutes abandonment, and how a person's true identity can be proved. HPD also raised concerns regarding police investigations, and how a parent who is a suspect could also be a witness, thereby hindering an investigation.

However, your Committee is also cognizant of situations such as the Peter Boy Kema case. Peter Boy Kema disappeared over ten years ago and the case is still unresolved. Some accounts state that Peter Boy was given to a person whose existence cannot be proven. Because of situations like these, your Committee believes that this measure is worthy of further discussion and notes the bill has an effective date of July 1, 2050.

Your Committee has amended this bill by providing that a person commits abandonment of a child in the second degree if they leave the child with another in reckless disregard of the risk that:

- (1) Proof of the other person's existence cannot be confirmed or validated through social security or other similar types of records; or
- (2) The person that the child is left with cannot be located or found.

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. 2886, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2886, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1273-08 Human Services & Housing on S.B. No. 2837

The purpose of this bill is to support asset-building among low- and moderate-income families by, among other things:

- (1) Clarifying guidelines pertaining to individual development accounts (IDAs);
- (2) Designating the Department of Human Services (DHS) as the agency to administer IDAs;
- (3) Allowing IDAs to be used for the purchase of a motor vehicle used for school or work transportation;
- (4) Requiring DHS or a contracted agency to provide administrative assistance to fiduciary organizations;
- (5) Allowing DHS to determine the match ratio for qualified expenditures;

- (6) Requiring fiduciary organizations to submit an annual report to DHS instead of the Legislature;
- (7) Repealing the cap on state funds that can be used by selected fiduciary organizations for administrative costs; and
- (8) Appropriating funds to operate IDAs.

The Legal Aid Society of Hawaii, Asset Building Initiative of Hawaii, Aloha United Way, Hawaii Alliance for Community-Based Economic Development, and a concerned individual testified in support of this bill. DHS supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Specifying that DHS or another state agency is designated to administer IDAs; and
- (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. 2837, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2837, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1274-08 Human Services & Housing on S.B. No. 2982

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to sell reserved housing units in fee simple.

HCDA testified in support of this bill.

Your Committee has amended this bill by requiring the units sold under this measure to remain affordable in perpetuity.

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. 2982, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2982, H.D. 1.

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

SCRep. 1275-08 Human Services & Housing/Health on S.B. No. 3165

The purpose of this bill is to encourage the development of affordable housing or a community health care facility within a mixed-used transit-oriented joint development project by exempting these projects from the general excise tax (GET).

The Hawaii Association of REALTORS, Hawaii Independent Condominium and Cooperative Owners, Hawaii Alliance for Community-Based Economic Development, and Transit-Oriented Community Based Development Project testified in support of this bill. The Department of Taxation opposed this measure. The Hawaii Housing Finance and Development Corporation (HHFDC), City and County of Honolulu Department of Planning and Permitting, and Tax Foundation of Hawaii provided comments.

Your Committees have amended this bill by:

- (1) Transferring the authority to approve and certify GET exemptions for community health care facilities from HHFDC to the Department of Health; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on 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. 3165, 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. 3165, S.D. 2, H.D. 1.

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

SCRep. 1276-08 Health/Human Services & Housing on S.B. No. 3258

The purpose of this bill is to work toward addressing Hawaii's long term care needs by:

- (1) Establishing guidelines for Medicaid reimbursement to:
 - (A) Hospitals for patients who are waitlisted for long-term care; and
 - (B) Long-term care facilities for patients with medically complex conditions who were previously receiving care in an acute care hospital;

and

- (2) Appropriating funds for increased Medicaid reimbursements to hospitals and facilities with long- term care beds.

The Healthcare Association of Hawaii, Hawaii Disability Rights Center, Hawaii Pacific Health, Policy Advisory Board for Elder Affairs, The Queen's Medical Center, Kaiser Permanente Hawaii, and Hawaii Long Term Care Association testified in support of this bill. The Department of Human Services opposed this measure. The Department of the Attorney General provided comments.

Your Committees have amended this bill by:

- (1) Changing its effective date to July 1, 2050, and inserting a repeal date of June 30, 2013, 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 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. 3258, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3258, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1277-08 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 3168

The purpose of this bill is to support the University of Hawaii's (UH) Academy for Creative Media Program (Program) and improve its operations by:

- (1) Statutorily establishing the Program, including the establishment of certain requirements for the Program; and
- (2) Amending Act 11, Special Session Laws of Hawaii 2007 (Act 11) by:
- (A) Repealing the provisions relating to the leasing of the existing public broadcasting facility and studio located at UH-Manoa to PBS Hawaii, including the use of the facility and studio by the Program as an interim home; and
- (B) Specifying that the funds appropriated by Act 11 for the Program shall be expended to expand programs and facilities of the Program at a system-wide, statewide level and that the expansion of programs and facilities be directed to the West Oahu-Kapolei region.

The Department of Education and several concerned individuals supported this bill. UH and the Department of Business, Economic Development, and Tourism submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that the expansion of programs and facilities of the Program shall be directed to the UH – West Oahu campus, instead of the West Oahu – Kapolei region;
- (2) Changing the appropriation amount contained in Act 11 for the Program to unspecified amounts and changing this measure's 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 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. 3168, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3168, 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. 1278-08 Health on S.B. No. 3076

The purpose of this bill is to protect public health and safety and ensure the Department of Health (DOH) is adequately prepared to handle epidemiological investigations by authorizing DOH to create exempt positions for epidemiologists.

DOH 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. 3076 and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

SCRep. 1279-08 Health on S.B. No. 3077

The purpose of this bill is to develop a strong volunteer workforce of medical professionals to support public health interventions and enhance emergency medical surge capacity by providing immunity from liability and entitlement to workers' compensation coverage, for licensed medical assistance personnel who provide volunteer medical services on behalf of the State or a county.

The Department of Health and Hawaii Medical Association 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. 3077, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

SCRep. 1280-08 Higher Education/Human Services & Housing on S.B. No. 2480

The purpose of this bill is to develop Hawaii's technology workforce by:

- (1) Establishing the Science Technology and Education Special Fund (Special Fund) within the University of Hawaii (UH) System, to hold appropriations, private contributions, and other funding for science-, technology-, engineering-, and math-related programs;
- (2) Appropriating general funds into the Special Fund for the Robotics and Problem-based, Applied Learning Program, and the Research Experiences for Teachers Program;
- (3) Appropriating general funds to be deposited into the Hawaii 3Ts School Technology Laboratories Fund to provide matching funds for the Project Environmental and Spatial Technology program;
- (4) Appropriating federal Temporary Assistance for Needy Families (TANF) Program funds and general funds for science-, technology-, engineering-, and math-related programs and K-12 creative media education programs; and
- (5) Appropriating general funds for K-12 creative media programs.

The Department of Business, Economic Development, and Tourism (DBEDT), University of Hawaii at Manoa (UH-Manoa), Hawaii Center for Advanced Communications at the UH-Manoa College of Engineering, Referentia Systems Incorporated, Hawaii Crop Improvement Association, educators in the Searider Productions integrated journalism and digital media education program at Waianae High School, Moanalua High School production staff, and numerous concerned individuals testified in support of this bill. The Department of Education supported the intent of this measure. The Department of Budget and Finance, Department of Human Services (DHS), and HiTech Quest offered comments.

Your Committees have amended this bill by changing the appropriation for science-, technology-, engineering-, and math-related programs and K-12 creative media education programs as follows:

- (1) Changing the source of funds from TANF Program funds to general revenues; and
- (2) Changing the expending agency from DHS to DBEDT.

Other 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 Higher Education and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2480, 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. 2480, S.D. 2, H.D. 2.

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

SCRep. 1281-08 Public Safety & Military Affairs/Labor & Public Employment on S.B. No. 2334

The purpose of this bill is to provide for more effective leadership within the Sheriffs Division by:

- (1) Repealing the civil service exemption for the First Deputy Sheriff and Second Deputy Sheriff; and
- (2) Requiring the Deputy Director for Law Enforcement and the Sheriff to be graduates of a law enforcement academy, except if the existing Deputy Director or Sheriff was employed prior to the effective date of this bill.

The Hawaii Government Employees Association and a concerned individual supported this bill. The Department of Human Resources Development and Department of Public Safety opposed this measure.

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. 2334, 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 Har, Luke, McKelvey, Nakasone and Pine.

SCRep. 1282-08 Public Safety & Military Affairs on S.B. No. 2828

The purpose of this bill is to ensure a timely response and prevent the misuse of the power to suspend laws during periods of natural or manmade disaster or enemy or terrorist attack, as authorized under Chapter 128, Hawaii Revised Statutes (the Civil Defense and Emergency Act), by:

- (1) Specifying that the "Disaster Relief Agency" and the "Director of Disaster Relief" under Chapter 127, Hawaii Revised Statutes (the Disaster Relief Law), is the state Civil Defense Agency and the state Director of Civil Defense;
- (2) Specifying that the limitations on the Governor's emergency powers do not apply to disasters caused by fire, flood, tidal wave, volcanic eruption, pandemic illness, earthquake, or other natural causes, or manmade disasters, including massive oil spills, nuclear accidents, airplane crashes, civil disturbances, and enemy attacks or acts of terrorism;
- (3) Providing for action to be taken by the Governor to prevent or mitigate disasters that may happen in the immediate future;
- (4) Clarifying under what circumstances the Governor may suspend laws under the Civil Defense and Emergency Act and requiring the Governor to report to the Legislature to authorize the continuance of disaster relief actions provided under such a suspension of laws;
- (5) Establishing that certain provisions of the State's Disaster Relief Law are operative and supersede provisions of the Civil Defense and Emergency Act in times when an emergency arises that is not considered a civil defense emergency;
- (6) Specifying that the term "other disaster relief" does not include remedying periodic or longstanding societal inequities or circumstances that could otherwise be remedied through the legislative process; and
- (7) Providing that, in certain cases, emergency powers in force prior to the effective date of this measure expire at the end of the Regular Session of 2008 unless reauthorized by the Legislature through adoption of a concurrent resolution or enactment of law.

The Governor, Department of the Attorney General, Department of Defense, Department of Agriculture, Department of Land and Natural Resources, Department of Transportation, Department of Accounting and General Services, and the Friends of Pai'olu Kai'aulu, Inc., opposed this bill.

Your Committee finds that activating the Disaster Relief Law creates confusion because the Civil Defense Agency and the Disaster Relief Agency become the same agency. Therefore, your Committee has amended this bill by, among other things:

- (1) Deleting the provision that equates the Disaster Relief Agency and the Director of Disaster Relief with the Civil Defense Agency and the Director of Civil Defense, respectively;
- (2) Applying limitations on the Governor's emergency powers to disasters caused by fire, flood, tidal wave, volcanic eruption, pandemic illness, earthquake, or other natural causes, or manmade disasters, including massive oil spills, nuclear accidents, airplane crashes, and civil disturbances, or acts of terrorism;
- (3) Removing the provision that the term "other disaster relief" does not include remedying periodic or longstanding societal inequities or circumstances that could otherwise be remedied through the legislative process;
- (4) Limiting the term "tangible and measurable harm or damage" to, among other factors, harm or damage that has already occurred; 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 S.B. No. 2828, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2828, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Souki and Finnegan. (Representatives McKelvey and Pine voted no.)

SCRep. 1283-08 Higher Education/Education on S.B. No. 2774

The purpose of this bill is to support recycling efforts at schools by establishing and appropriating funds for a task force within the University of Hawaii at Manoa College of Social Sciences Public Policy Center (Center) to conduct an evaluation of the recycling options available to schools, including a summary feasibility report related to the:

- (1) Establishment of a school recycling program;
- (2) Use of reverse vending machines; and
- (3) Feasibility of providing recycling bins in schools throughout the state.

The Department of Education and a concerned individual testified in support of this bill. The Center 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 are in accord with the intent and purpose of S.B. No. 2774, S.D. 2, and recommend that it be referred to the Committee on Finance.

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

SCRep. 1284-08 Education/Labor & Public Employment on S.B. No. 2080

The purpose of this bill is to ensure the safety of our students in the public schools by requiring the Hawaii Teacher Standards Board (HTSB) to revoke a teacher's license when the teacher has been convicted of certain sexual offenses against a minor.

The Department of Education (DOE), HTSB, and Hawaii State Teachers Association testified in support of this bill. A concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Requiring DOE to notify HTSB of teachers who have been convicted of a sexual offense against a minor, and requiring that any independent school agency or charter school agency in the state do the same; and
- (2) Specifying that HTSB must notify the clerk of the court of each individual identified as a teacher who is being tried by the court for a sexual offense.

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. 2080, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2080, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Evans, McKelvey, Nakasone, Saiki, Souki and Wakai.

SCRep. 1285-08 Education/Labor & Public Employment on S.B. No. 2163

The purpose of this bill is to better align Hawaii's teacher licensure requirements with the criteria of the No Child Left Behind Act of 2001 (NCLB), Public Law 107-110, as they relate to highly qualified teachers. Specifically, this bill:

- (1) Allows individuals to be employed by the Department of Education (DOE) on an emergency basis for no more than three, rather than four, years; and
- (2) Requires unlicensed individuals who have been hired on an emergency basis and are currently teaching non-core subject areas to attain licensure no later than four years from the date of their employment.

DOE and the Hawaii State Teachers Association testified in support of this bill. The Hawaii Teacher Standards Board offered comments.

Your Committees have amended this bill by:

- (1) Applying the licensure requirement to all emergency-hire teachers by removing the distinction between teachers who teach non-core subjects and those who teach core subjects;
- (2) Changing its effective date to July 1, 2008; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2163, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2163, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Evans, McKelvey, Nakasone, Saiki, Souki and Wakai.

SCRep. 1286-08 Education/Labor & Public Employment on S.B. No. 2652

The purpose of this bill is to ensure fair payment for substitute teachers by:

- (1) Requiring the Board of Education (BOE) to provide, and appropriating funds for, wage adjustments for substitute teachers comparable to the across-the-board wage adjustments negotiated for teachers in collective bargaining unit 5; and
- (2) Allowing BOE to adjust the hours, benefits, and other terms and conditions of employment for substitute teachers.

The Department of Education, Hawaii State Teachers Association, and Hawaii Carpenters Union, Local 745, testified in support of this bill. Alston Hunt Floyd & Ing, representing Hawaii's substitute teachers in *Garner v. DOE* and *Klitternick v. Hamamoto*, supported this measure with amendments.

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 Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2652, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2652, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Evans, McKelvey, Nakasone, Saiki and Wakai.

SCRep. 1287-08 Education/Labor & Public Employment on S.B. No. 2663

The purpose of this bill is assist the operations and increase the accountability of the Hawaii Teacher Standards Board (HTSB) by:

- (1) Making clarifying changes to its membership and nomination process;
- (2) Appropriating funds for HTSB to coordinate an effort to create a network incorporating the teacher education institutions and the Department of Education (DOE) to support the free interchange of information valuable to all participating organizations; and
- (3) Expanding the scope of information provided by HTSB in its annual report and summary report to the Governor and Legislature.

DOE, the University of Hawaii, HTSB, Hawaii State Teachers Association, and a concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Deleting the amendment to change the membership of the board from 13 to 15 members;
- (2) Requiring that there be on HTSB, no fewer than seven, rather than eight, licensed teachers regularly engaged in teaching; and
- (3) Clarifying that any state chapter of a national professional organization that represents teachers or school administrators, shall contribute to the list of qualified nominees from which the Governor is to appoint HTSB members.

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. 2663, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2663, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Evans, McKelvey, Nakasone, Saiki and Wakai.

SCRep. 1288-08 Education/Labor & Public Employment on S.B. No. 3252

The purpose of this bill is to address the teacher shortage crisis in the state and improve teacher recruitment and retention by, among other things:

- (1) Appropriating funds for public school teachers to take preparatory courses, tutorials, or programs for the PRAXIS examinations to become highly qualified under the No Child Left Behind Act (NCLB);
- (2) Providing teachers with full service credit for prior teaching experience up to a maximum of 10 years when determining the classification of a teacher hired to teach in a hard-to-fill school, a shortage area category, or other shortage area, and any teacher who meets all the requirements of NCLB;
- (3) For National Board Certified teachers, providing full service credit equal to the teacher's total number of years of teaching experience;
- (4) Appropriating funds for the establishment of professional development schools for Hawaii public school teachers;
- (5) Appropriating funds to complex areas for academic coaches, teacher professional development, and other programs or initiatives to improve teacher retention;
- (6) Establishing a teacher housing allowance program to provide housing assistance to teachers;
- (7) Appropriating funds for the Hawaii Teacher Cadet Program for its efforts toward teacher recruitment and retention; and
- (8) Appropriating funds to establish the Hawaii Beginning Teacher Induction Pilot Program to improve the retention of new teachers through rigorous, in-depth assistance and support from highly-trained mentors.

The Department of Education, University of Hawaii College of Education, Hawaii Teacher Standards Board, Hawaii Educational Policy Center, Hawaii State Teachers Association, and several concerned individuals testified in support of this bill.

Your Committees have amended this bill by:

- (1) Specifying that schools that were selected previously shall receive first consideration for the allocation of funds for professional development schools;
- (2) Except for the purpose section, reporting requirement, and the appropriation, deleting provisions relating to the establishment of the Hawaii Beginning Teacher Induction Pilot Program and making conforming amendments to the remaining sections, as a similar program was created through Act 159, Session Laws of Hawaii 2005; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3252, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3252, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Evans, McKelvey, Nakasone, Saiki and Wakai.

SCRep. 1289-08 Education on S.B. No. 2878

The purpose of this bill is to help Hawaii's children reach their full potential as individuals and citizens, beginning at birth, by:

- (1) Establishing an early learning system to ensure a continuum of quality early learning opportunities for children from birth to age five throughout the state;
- (2) Creating and appropriating funds for the Early Learning Council to develop and administer the early learning system; and
- (3) Establishing a temporary five-year pilot program called the Keiki First Steps Early Learning Program, which focuses on the coordination, improvement, and expansion of existing programs and services within the early learning system for three- and four-year-old children in the state, with priority to underserved or at-risk children.

The Department of Education (DOE), University of Hawaii System, Hawaii Association of Independent Schools, Aloha United Way, and PATCH testified in support of this bill. The Department of Human Services (DHS), several members of the Act 259 Early Learning Educational Task Force, Good Beginnings Alliance, and Kamehameha Schools supported the intent of this measure. The Office of Information Practices and a concerned individual offered comments.

Your Committee has amended this bill by replacing it with the contents of H.B. No. 2973, H.D. 2, which, among other things:

- (1) Establishes an early learning system to be named "Keiki First Steps" (System) that ensures a spectrum of quality early learning opportunities for children throughout the state, from birth until the time they enter kindergarten;
- (2) Creates and appropriates funds for the Early Learning Council (Council) to develop and administer the System;
- (3) Establishes and appropriates funds for the Three- and Four-Year-Old Program which focuses on the coordination, improvement, and expansion of existing programs and services for three- and four-year-old children in the state, with priority to underserved or at-risk children, and consists of DHS awarding grants to early learning programs and services that serve three- and four-year-olds and meet the criteria developed by the Council; and
- (4) Statutorily establishes the Pre-Plus Program, the goal of which is to increase the supply of suitable classrooms for early childhood programs statewide, by requiring DOE and DHS to develop suitable Pre-Plus classrooms on DOE campuses statewide, for early childhood education programs.

Your Committee has also made additional amendments as follows:

- (1) Adding definitions for various types of early learning programs and services;
- (2) Clarifying that the Council is attached to DOE for administrative purposes only, notwithstanding any other law to the contrary;
- (3) Clarifying that the Council is to establish a system for awarding appropriate credentials to educators and administrators relevant to the various early learning approaches, service deliveries, and settings;
- (4) Clarifying that the Council is to develop standards of accountability, rather than monitor programs and services, within the System;
- (5) Deleting the provision that the Council may award grants and enter into contracts to qualified early childhood educators, community-based training programs, and higher education institutions;
- (6) Changing the membership of the Council as follows:

- (A) Removing the Director of Labor and Industrial Relations or the Director's designee;
 - (B) Removing the representative from a private institute of higher education that offers early childhood education programs;
 - (C) Adding another representative of center-based child care program providers;
 - (D) Adding another representative of the Association of Mayors;
 - (E) Providing for the appointment of certain members by the Governor; and
 - (F) Providing for staggered terms on the Council;
- (7) Authorizing the Council to, in forming any workgroups and subcommittees, involve individuals who are not Council members;
 - (8) Specifying that the personnel appointed by the executive director of the Council are to work directly for the executive director;
 - (9) Allowing the Council to require reports from state agencies and programs and services of System;
 - (10) Changing the Keiki First Steps Special Fund to the Keiki First Steps Trust Fund, to allow the Council to receive private funds;
 - (11) Appropriating funds for the establishment of one full-time equivalent (1.00 FTE) permanent position for the executive director of the Council and full-time equivalent permanent positions for support staff;
 - (12) Changing the expending agency for the appropriation for the System and operations of the Council from DOE to the Council;
 - (13) Repealing statutory provisions relating to the quality early education plan to be developed by DOE; and
 - (14) 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. 2878, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2878, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1290-08 Education on S.B. No. 2571

The purpose of this bill is to encourage recycling at Hawaii's public schools by requiring the Department of Education (DOE), in partnership with the Department of Health (DOH), to develop and implement a three-year food waste recycling pilot project in one or more schools.

The Hawaii Food Industry Association testified in support of this bill. Styrophobia LLC, supported this measure with amendments. DOE opposed this bill.

Your Committee notes that according to Styrophobia LLC, the financial implication of establishing the pilot project is minimal as resources are available in the community. Waialae Elementary School has already switched to use of biodegradable and compostable food trays, which is one of the measures proposed to be included in the pilot project.

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. 2571, 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 Bertram, Cabanilla, Nishimoto, Saiki and Shimabukuro.

SCRep. 1291-08 Transportation on S.B. No. 2900

The purpose of this bill is to safeguard the public's right to use roadways whose ownership is in dispute between the State and the counties by:

- (1) Establishing that any county has the power to enforce laws and rules applicable to the use of public streets or highways whose ownership is in dispute, between the State and county; and
- (2) Ensuring that the general public retains the right to use public roads whose ownership is in dispute to access coastal and inland recreational areas, including beaches, shores, parks, and trails.

Hawaii's Thousand Friends testified in support of this bill.

The dispute over the jurisdiction of various roads throughout the state has been ongoing for several decades, originating to a time prior to statehood. Prior to 1947, counties had jurisdiction over, and were responsible for the maintenance of, all public highways in the Territory of Hawaii. However, in 1947, jurisdiction for certain highways and roadways was transferred to territorial agencies. Many of these highways and roads were federal-aid highways that would later evolve into highways under the jurisdiction of what is now the Department of Transportation (DOT). Although the counties were supposed to maintain all public highways and roadways that were not under the jurisdiction of DOT, some were not maintained and fell into disrepair. The jurisdiction over some of these roads were also called into question and these roads began to be referred to as "roads in limbo."

These jurisdictional disputes have sometimes resulted in restricted access to coastal and inland public lands, with part of the reasoning being that public traffic laws are not being applied to these "roads in limbo." Your Committee finds that the lack of agreement between the State and the counties on jurisdiction of certain roads should not diminish the fact that the roads are public, and that laws applicable to public roads should apply.

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. 2900, 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 Har, Nakasone, Takumi, Meyer and Pine.

SCRep. 1292-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2421

The purpose of this bill is to preserve Hawaii's limited natural resources by:

- (1) Authorizing the Department of Land and Natural Resources (DLNR) to acquire lands owned by the Galbraith Estate in Central Oahu;
- (2) Requiring DLNR to exercise its power of eminent domain to acquire the land, if an agreement to acquire the property is not reached within a reasonable time; and
- (3) Appropriating funds for the land acquisition.

The Hawaii Farm Bureau Federation, Kamehameha Schools, Trust for Public Land, Wahiawa Community and Business Association, and ILWU Local 142 testified in support of this bill. The Office of Hawaiian Affairs supported this measure with amendments. A concerned individual opposed 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 S.B. No. 2421, 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. (Representative Thielen voted no.)

SCRep. 1293-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3102

The purpose of this bill is to provide for greater protection of lands that have value as a resource to the State by allowing:

- (1) Public and private moneys to be deposited into the Land Conservation Fund (Fund) and used for the acquisition of land having value as a resource to the State; and
- (2) Moneys from the Fund to be used for the costs of operating, maintaining, and managing lands acquired by way of the Fund.

The Department of Land and Natural Resources and Hawaii Agriculture Research Center testified in support of this bill. The Trust for Public Land 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. 3102, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1294-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3137

The purpose of this bill is to understand akule activity by appropriating funds for the Department of Land and Natural Resources (DLNR) to collect and interpret data about akule movements and habits of migration on the leeward coast of Oahu. Specifically, this bill requires DLNR, Division of Aquatic Resources, to increase the number of commercial catch reporting grids from two to three along the western coast of Oahu in the sector between Barber's Point and Ka'ena Point by creating a new catch grid spanning the area between Maili Point and Kepuhi Point.

The Hanalei Watershed Hui and several concerned individuals testified in support of this bill. DLNR and a concerned individual provided comments.

Your Committee finds that fish catch data has been collected in this area for over 50 years, and the alteration of the grid maps may disrupt the long-term data collected in the database and used by various researchers, including state fishery scientists, federal fisheries agencies, and the University of Hawaii. Accordingly, your Committee has amended this bill by dividing catch grids 402 and 403 each into two separate zones, to create more precise catch grids, while preserving the integrity of the original grid maps and corresponding data.

This bill has also been amended by 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. 3137, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3137, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1295-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2997

The purpose of this bill is to create a process for the transfer of development rights between properties using a transfer development rights bank.

For purposes of taking testimony at the public hearing, your Committee circulated a proposed H.D. 1 version that deletes the provisions of this bill and inserts new language establishing historic agricultural landmarks.

A concerned individual testified in support of the proposed H.D. 1 bill. The Office of Planning supported the intent of the proposed measure. The Chamber of Commerce of Hawaii opposed the proposed bill. The Department of Land and Natural Resources, City and County of Honolulu, Department of Planning and Permitting, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., provided comments.

Your Committee finds that the preservation of lands with scenic, historical, recreational, and cultural value is vital to our state. The language inserted as the H.D. 1 would provide an effective means of ensuring the long-term availability of visually, culturally, and historically valuable lands, such as the pineapple fields of the Galbraith Trust located north of Wahiawa, Oahu, without the necessity of an outright acquisition by:

- (1) Allowing the designation of certain agricultural lands as historic agricultural landmarks because of their special historic, cultural, and visual value to the state;
- (2) Providing incentives for historic agricultural landmarks similar to the proposed incentives for important agricultural lands under section 205-46, Hawaii Revised Statutes;
- (3) Providing that historic agricultural landmarks can only be designated by law; and
- (4) Establishing standards and criteria for reclassification or rezoning.

The H.D. 1 also designates certain Galbraith Trust lands as a historic agricultural landmark.

Finally, your Committee has further amended the H.D. 1 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 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. 2997, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2997, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1296-08 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on S.B. No. 3103

The purpose of this bill is to increase landowner participation in safe harbor agreements and habitat conservation plans by authorizing the development and use of programmatic safe harbor agreements and programmatic habitat conservation plans that cover multiple landowners or a class of landowners and over a wide area or region.

The Department of Land and Natural Resources (DLNR) and Hawaii Forest Industry Association testified in support of this bill. Earthjustice, Sierra Club-Hawaii Chapter, and Hawaii Building and Construction Trades Council, AFL-CIO, opposed this measure. The University of Hawaii Environmental Center provided comments.

Your Committees believe that the success of endangered species restoration relies on carefully crafted tools that ensure compliance with the terms of safe harbor agreements and habitat conservation plans. Accordingly, your Committees have amended this bill by requiring that the Endangered Species Committee review and the Board of Land and Natural Resources approve the certificates of inclusion for consistency with the terms and conditions of the programmatic agreement or plan prior to the issuance of the certificates to extend coverage of the incidental take license, rather than requiring DLNR's review and concurrence.

This bill has also been amended by 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. 3103, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3103, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1297-08 Labor & Public Employment on S.B. No. 2896

The purpose of this bill is to reduce and deter unlicensed contractor activity in this state by:

- (1) Prohibiting the resumption of work by any contractor who is issued a citation for operating without a license until such time that the contractor obtains the necessary license to perform the work; and
- (2) Requiring investigators to issue cease and desist orders, in addition to citations, upon determining that a contractor is performing work without a license.

The Hawaii Building and Construction Trades Council, AFL-CIO, Subcontractors' Association of Hawaii, and Ironworkers Stabilization Fund testified in support of this bill. The General Contractors Association of Hawaii testified in opposition to this measure. The Department of Commerce and Consumer Affairs submitted comments.

Unlicensed contracting activity is a serious problem that decreases state revenues and adversely impacts legitimate contractors and consumers, all of whom face the consequences of having to contend with contractors who refuse to "play by the rules." Your Committee notes that this measure will focus on those contractors who continue to perform work without a license, by requiring them to cease work immediately upon the issuance of a citation and prohibiting them from resuming work until all licensing requirements are met.

Your Committee has amended this bill by:

- (1) Clarifying that the person cited for working without a license shall cease work until such time that they hold the required license to perform that work;
- (2) Increasing the fixed monetary fines for working without a license to:
 - (A) \$10,000 per day for a first offense;
 - (B) \$5,000 per day for a second offense; and
 - (C) \$10,000 per day for any subsequent offense;
- (3) Adding the requirement that a person who violates a cease and desist order, must have also been issued a citation for operating without a license, before the Director of Commerce and Consumer Affairs may apply for injunctive or any other relief deemed appropriate by the court; and
- (4) Providing that either a daily violation of the licensure requirements or a daily failure to comply with the cease and desist order will be deemed a separate offense.

Other 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. 2896, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2896, 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 Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1298-08 Labor & Public Employment on S.B. No. 3228

The purpose of this bill is to provide additional support for retired patient employees and patient laborers of Hansen's disease facilities by raising their pension amounts.

The Department of Health testified in support of this bill.

Retired patient employees of the State's Hansen's disease treatment facilities have provided valuable services to their immediate communities and to the residents of the state. However, these patient employees are not part of the State Employees Retirement System and therefore do not receive the annual cost of living increases received by other state pensioners. These individuals' pension increases need to be accomplished through statutory changes, and the last increase occurred in 1990. Increasing their pensions at this time is an appropriate 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 S.B. No. 3228 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1299-08 Labor & Public Employment on S.B. No. 2273

The purpose of this bill is to bring greater accountability to claims for the Motion Picture, Digital Media, and Film Production Income Tax Credit (Film Tax Credit) by expanding limitations on claiming this tax credit by:

- (1) Prohibiting:
 - (A) Qualified production costs that are financed by public funds from the State from eligibility for the Film Tax Credit; and
 - (B) After June 30, 2008, taxpayers from claiming the Film Tax Credit for qualified productions that are financed, in whole or in part, by investments for which a credit has been claimed by the taxpayer as a qualified high technology business under the High Technology Business Investment Tax Credit
- (2) Requiring the Department of Labor and Industrial Relations (DLIR) to establish an advisory group to conduct a study on the issues relating to the hiring practices of motion picture, digital media, and film productions in Hawaii, including consideration of ways to promote local hiring; and
- (3) Appropriating funds to pay for expenses related to the study conducted by the advisory group.

The Department of Business, Economic Development, and Tourism, Department of Taxation, and Hawaii Film and Entertainment Board supported the intent of this bill. A concerned individual testified in opposition to this measure. DLIR opposed this measure in part. The Tax Foundation of Hawaii submitted comments.

The High Technology Investment Tax Credit and the 15-20 percent Refundable Motion Picture, Digital Media, and Film Production Income Tax Credit were established to promote economic development, especially in the film industry. However, concerns have been raised about "double dipping," or taking advantage of both tax credits for the same project. This measure attempts to prevent this.

Your Committee has amended this bill by deleting the provisions that:

- (1) Prohibited taxpayers from claiming the Film Tax Credit for qualified productions that are financed, in whole or in part, by investments for which a credit has been claimed by the taxpayer as a qualified high technology business under the High Technology Business Investment Tax Credit after June 30, 2008; and
- (2) Appropriated funds to pay for expenses related to the study conducted by the advisory group.

Your Committee has further amended this measure by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2273, S.D. 2, 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. 2273, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1300-08 Labor & Public Employment on S.B. No. 3061

The purpose of this bill is to conform state law to current federal law by replacing references to the Aid to Families with Dependent Children and the Job Opportunities and Basic Skills Act with the correct references under the federal Temporary Assistance for Needy Families and Temporary Assistance for Other Needy Families laws. This bill also incorporates work activity participation requirements in current federal regulations.

The Department of Human Services testified in support of this bill.

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 Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3061, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 3061, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1301-08 Labor & Public Employment on S.B. No. 2493

The purpose of this bill is to fund:

- (1) All collective bargaining 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 (HSTA) testified in support of this bill. The Department of Education (DOE), Department of Budget and Finance (B&F), and Office of Collective Bargaining (OCB) testified in opposition to this measure.

Though Act 132, Session Laws of Hawaii 2007 (Act 132), appropriated \$43.9 million for fiscal year 2008 and \$75.5 million for fiscal year 2009 for collective bargaining cost items for bargaining unit (5), HSTA stated that additional funding is necessary to pay for an annual incremental step movement negotiated in its contract with the State.

Your Committee notes that although DOE, B&F, and OCB believe that all negotiated cost items were already addressed by Act 132, your Committee finds that this measure should proceed for further discussion.

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.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2493, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1302-08 Labor & Public Employment/Public Safety & Military Affairs on S.B. No. 2779

The purpose of this bill is to clarify the type of circumstances that would allow the Governor, by executive order, to suspend the statutes relating to prevailing wages and hours on public works projects.

The Hawaii Carpenters Union testified in support of this bill. The Department of Labor and Industrial Relations and Department of Accounting and General Services opposed this measure.

Currently, the Governor may suspend the payment of prevailing wages on public works projects during a state of emergency. This measure simply attempts to clarify when the Governor may specifically suspend prevailing wages on public works projects and requires the Governor to issue a proclamation for an emergency in order to take this action.

However, your Committees understand that some confusion may exist as to what statutory provisions give the Governor the authority to declare an emergency that would allow for the suspension of prevailing wages on public works. Accordingly, your Committees have amended this bill by:

- (1) Deleting the specific reference to an emergency declaration made by the Governor subject to the provisions of the Hawaii's Disaster Relief Law;
- (2) Providing that the Governor, in declaring an emergency through the required proclamation, to specify which statutory authority is being used to declare such an emergency;
- (3) Changing its 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 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 S.B. No. 2779, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2779, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone and Pine.

SCRep. 1303-08 Labor & Public Employment/Economic Development & Business Concerns on S.B. No. 2780

The purpose of this bill is to further clarify requirements for the payment of prevailing wages on public works projects by including, as a public work, construction contracts valued at \$500,000 or more between private persons using state or county land for commercial, profit-making activity.

The Hawaii Carpenters Union testified in support of this bill. The Department of Land and Natural Resources, Department of Accounting and General Services, Department of Labor and Industrial Relations, and a concerned individual testified in opposition to this measure.

Chapter 104, Hawaii Revised Statutes (HRS) establishes that prevailing wages be paid on projects meeting criteria that define it as a public work. However, some confusion remains on whether the payment of prevailing wages are required under construction contracts between private persons using state or county land. This measure attempts to clarify this ambiguity by specifying that prevailing wages be paid on these construction contracts if the state or county land is used for commercial, profit-making activity.

Nevertheless, your Committees understand the issue raised that this may have an adverse impact on certain smaller businesses but that further discussion on this issue is warranted.

Accordingly, your Committees have amended this measure by:

- (1) Changing its 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 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. 2780, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2780, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Chang, Har, Herkes, Luke, Manahan, McKelvey, Nakasone, Ching, Meyer and Pine. (Representative Marumoto voted no.)

SCRep. 1304-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 3215

The purpose of this bill is to provide incentives for the production of biodiesel in the state. Specifically, this bill, among other things:

- (1) Allows the Board of Land and Natural Resources (BLNR) to lease, by direct negotiation and without recourse to public auction, public agricultural lands to eligible lessees growing crops suitable for conversion into biodiesel fuel;
- (2) Establishes, for use in state vehicles with diesel engines, a preference for biodiesel blends that contain up to 20 percent biodiesel produced in the state from feedstock grown in the state;
- (3) Requires the Department of Agriculture's (DOAs) Energy Feedstock Program to support market development for biodiesel feedstock by:
 - (A) Purchasing certain biodiesel feedstock crops grown in the state, capped at an unspecified amount;
 - (B) Purchasing certain biodiesel fuel and biodiesel fuel blends produced in the state, capped at an unspecified amount; and
 - (C) Determining the disposition of biodiesel feedstock crops and biodiesel fuel and biodiesel fuel blends purchased under the feedstock program;
- (4) Specifies that the annual reports to the Legislature required under the feedstock program be submitted at least 20 days prior to the convening of each regular session, and mandates certain information to be included in the reports; and
- (5) Establishes an income tax exclusion of an unspecified amount for income derived from an oil seed crushing facility that processes oil seed produced or grown in the state for biodiesel production in the state.

Pacific Biodiesel, Inc., Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported this bill. DOA opposed this measure. The Department of Taxation, BLNR, and Tax Foundation of Hawaii submitted comments.

In light of concerns raised during the public hearing on this matter, your Committees have amended this measure by deleting its contents and inserting the provisions of H. B. No. 3410, H.D. 2. As amended, this bill differs from the bill as referred to your Committees by:

- (1) Establishing an income tax exclusion of 100 percent of the income derived from an oil seed crushing facility that processes oil seed produced or grown in the state for biodiesel production in the state;
- (2) Containing an effective date of July 1, 2020; and
- (3) Incorporating technical, nonsubstantive amendments for style, clarity, and consistency.

Your Committees have further amended this measure by deleting the restriction that an oil seed crushing facility cannot be integrated with a biodiesel production facility.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and 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. 3215, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3215, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Magaoay, Saiki, Wakai, Ching, Meyer and Thielen.

SCRep. 1305-08 Energy & Environmental Protection/Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2034

The purpose of this bill is to encourage the development of renewable energy alternatives by authorizing the issuance of special purpose revenue bonds in an amount not to exceed \$20,000,000 to assist Oceanlinx Hawaii LLC, with the planning, design, and construction of a hydrokinetic power generation facility off-shore of Maui.

Oceanlinx Hawaii LLC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this bill.

Your Committees have 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 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 are in accord with the intent and purpose of S.B. No. 2034, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2034, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Sagum.

SCRep. 1306-08 Energy & Environmental Protection/Human Services & Housing on S.B. No. 2933

The purpose of this bill is to reduce our dependence on electricity produced by fossil fuels by providing an alternative to our reliance on electric clothes dryers. This bill:

- (1) Allows the use of clotheslines by owners of privately-owned single-family residences; and
- (2) Provides restrictions on the location of clotheslines.

The Department of Business, Economic Development, and Tourism, Conservation Council for Hawaii, Project Laundry List, Sierra Club - Hawaii Chapter, and an individual testified in support of this bill. The Hawaii Association of Realtors and an individual offered comments.

Your Committees have amended this bill by deleting its substance and inserting the substance of H.B. No. 3211, H.D. 1, which was reported out earlier by your Committee on Human Services & Housing. Specifically, this bill was amended by, among other things:

- (1) Allowing clotheslines on privately-owned townhouses as well as single-family residences;
- (2) Deleting specific restrictions on the location of clotheslines;
- (3) Requiring that rules facilitating the placement of clotheslines shall not be unduly or unreasonably restrictive; and
- (4) Changing the effective date from July 1, 2050, to upon its approval.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2933, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2933, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1307-08 Energy & Environmental Protection on S.B. No. 2192

The purpose of this bill is to require the Department of Health (DOH) to conduct an independent study, without impairing the City and County of Honolulu's operations or permitting procedures, and make an independent determination of the effect on the health, safety, and welfare of the adjacent community, of increasing the maximum grade of the ash monofill at the Waimanalo Gulch Sanitary Landfill from 220 feet to approximately 275 feet above mean sea level.

A concerned individual testified in support of this bill. DOH opposed this measure. The Windward Ahupuaa Alliance provided comments.

DOH testified that this bill is unnecessary. In its evaluation of all solid waste permit application, DOH reviews the design, operation, and monitoring of the proposed solid waste activity for compliance with state solid waste laws and rules. Although DOH relies on completeness

and accuracy of reports from the operator or owner of landfills, as opposed to its own independent data gathering, it is DOH's representation that this "honor" system is widely accepted nationwide due to limited agency resources. Additionally, the availability of an independent expert on the structural stability of the ash monofill in this case is problematic, since the operator of the landfill is a nationwide company that has retained the service of many of the experts in the field. In this situation, the difficulty in finding an untainted expert will be both daunting and costly. Although DOH reviewed the stability and seismic analysis of Waimanalo Gulch Sanitary Landfill and proposed grade modifications, it is your Committee's finding that the health and welfare of the public requires that this bill continue through the legislative process for further consideration and discussion.

Accordingly, your Committee has amended this bill by changing the effective date to July 1, 2050. Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2192, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2192, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Karamatsu, Sagum and Saiki. (Representative Thielen voted no.)

SCRep. 1308-08 Energy & Environmental Protection on S.B. No. 2630

The purpose of this bill is to promote transparency of the pricing methods used by Hawaii petroleum industries by expanding the amount of information collected by the Public Utilities Commission (PUC), and requiring the publishing of the collected industry information and gas prices. Specifically, this measure:

- (1) Requires distributors to report to the PUC their average crude oil costs and their average wholesale gasoline prices charged for each class of trade;
- (2) Requires the PUC to publish, on a weekly basis, the information furnished by the distributors categorized by island and distributor; and
- (3) Requires the PUC to publish, on a weekly basis, the average retail gasoline prices for each island.

The Western States Petroleum Association, Aloha Petroleum, Ltd., Mid Pac Petroleum, LLC, Island Petroleum, Inc., and Senter Petroleum, Inc. testified in opposition to this bill. The PUC provided comments.

Your Committee finds that to encourage disclosure by the Hawaii petroleum industry to the full intent and spirit of the Petroleum Industry Information Reporting Act (Act), the protection of confidential industry information must be maintained by the PUC. This bill increases the scope and frequency of information required to be filed by refiners and distributors with the PUC and requires the PUC to publish collected information on a more frequent basis. The petroleum industry views this approach as one that jeopardizes the confidentiality of their respective, competitively sensitive information, since the number of refiners and distributors in Hawaii's small market is not sufficient to mask the identity of a particular refiner or distributor through aggregated data to ensure confidentiality.

Your Committee encourages and supports the development of in-house expertise of the petroleum industry within the PUC, where PUC staff is able to analyze petroleum industry information that is statutorily required to be reported, discern the adequacy of the reported information, and determine the scope and content of consumer publications that provide relevant and meaningful information for informed consumer decisions. With PUC in-house expertise, the use and distribution of confidential information will be more containable and secure, and should allay the concerns of the refiners and distributors in the disclosure of their confidential information. Accordingly, your Committee has amended this bill by deleting its contents and replacing it with provisions that give the PUC more discretionary authority. Specifically, this bill, as amended:

- (1) With respect to the weekly reporting requirements of distributors and major fuel users, authorizes the PUC to revise the reporting period to other appropriate time period and reporting dates;
- (2) With respect to the requirement that the PUC publicly report information filed with it within 14 days, requires the PUC to publicly report within 30 days, or as soon as practically and technically feasible after receipt of the information; and
- (3) To effectively facilitate the efficient reporting and analysis of collected information and to provide flexibility, authorizes the PUC to determine specific information that must be reported by any person required to submit information under the Act.

Other 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 is in accord with the intent and purpose of S.B. No. 2630, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2630, 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 Karamatsu, Sagum and Saiki.

SCRep. 1309-08 Energy & Environmental Protection on S.B. No. 2849

The purpose of this bill is to preserve and provide sustainability to the state's agricultural lands by:

- (1) Clarifying that community plantation subdivisions (CPS) refer to established subdivisions and include agricultural support buildings;
- (2) Deleting the requirement that the sugar or pineapple plantation must be in residential use;
- (3) Providing that existing structures on CPSs must be used, rehabilitated, or increased for use within the scope of the CPS statutory provisions; and
- (4) Requiring that employee housing be rented at affordable rates for agricultural workers and that agricultural support buildings must be rented to agricultural business operators or support services.

The Hawaii Farm Bureau Federation, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Hawaii Agriculture Research Center, and Pacific West Energy, LLC, testified in support of this bill. The Department of Agriculture supported the intent of this measure. The Office of Planning, City and County of Honolulu Department of Planning and Permitting, and Hawaii's Thousand Friends provided comments.

This bill's scope addresses structures in plantation community subdivisions and agricultural-energy facilities on agricultural lands. Your Committee requests the Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture to exercise their expertise in reviewing and further amending, if necessary, the provisions relating to plantation community subdivisions.

Your Committee has amended this bill by:

- (1) Amending its purpose section to increase the scope of the bill by including existing structures on CPSs and the use and rehabilitation of employee rental housing and agricultural support buildings;
- (2) Deleting the language that allows existing structures on CPSs to be increased in size or scope;
- (3) Clarifying the types of renewable energy generated, stored, or distributed by an agricultural-energy facility; 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2849, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2849, S.D. 1, H.D. 1, and be referred to the Committees on Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture.

Signed by all members of the Committee except Representatives Karamatsu, Sagum and Saiki.

SCRep. 1310-08 Consumer Protection & Commerce on S.B. No. 2783

The purpose of this bill is to promote efforts to protect against natural disasters by, among other things:

- (1) Including earthquake resistive devices in the Loss Mitigation Grant Program (Program);
- (2) Extending the Program for three years;
- (3) Increasing grant reimbursement amounts for wind resistive devices;
- (4) Requiring the Insurance Commissioner to develop criteria for earthquake resistive devices;
- (5) Requiring the Insurance Division to develop a public awareness campaign on hazard mitigation; and
- (6) Appropriating funds for a testing facility to test safe room designs and other wind resistant devices.

Prior to the public hearing on this bill, your Committee circulated a proposed H.D. 1 that replaces the entire contents of this bill with provisions that:

- (1) Require and appropriate funds for the Research Corporation of the University of Hawaii, in collaboration with appropriate government agencies, to develop and prepare a report on comprehensive natural disaster impact zones to be used as the basis for disaster mitigation plans; and
- (2) Require the Insurance Commissioner to develop a plan to convert the Hawaii Hurricane Relief Fund (HHRF) program under Chapter 431P, Hawaii Revised Statutes, into a natural disaster relief program.

The Hawaii Association of REALTORS supported the intent of the proposed H.D. 1. The Structural Engineers Association of Hawaii, Hawaii Lumber Products Association, Hawaii Insurers Council, and several concerned individuals opposed the proposed H.D. 1. The Department of Commerce and Consumer Affairs and a concerned individual submitted comments on the proposed H.D. 1.

Upon further consideration, your Committee has amended this bill, as received, by retaining its original provisions and making the following amendments:

- (1) Requiring the State and each county to incorporate planning for natural hazards in land development processes;

- (2) Requiring and appropriating funds for the Department of Civil and Environmental Engineering of the University of Hawaii (UH) College of Engineering, in collaboration with the Social Science Research Institute of the UH College of Social Sciences, to prepare a strategic planning report on the feasibility of establishing comprehensive natural disaster hazard mapping for the State of Hawaii; and
- (3) Requiring the Insurance Commissioner to submit to the Legislature a report on the feasibility of converting the HHRF program into a natural disaster relief 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 S.B. No. 2783, 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. 2783, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Green, McKelvey, Sonson and Yamashita.

SCRep. 1311-08 Consumer Protection & Commerce on S.B. No. 2864

The purpose of this bill is to collect information on reimbursements for health provider services by requiring the Insurance Commissioner to submit to the 2010 Legislature a report on the adequacy of health plan reimbursements to physicians and hospitals in Hawaii.

The Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and Faith Action for Community Equity testified in support of this bill. Kaiser Permanente Hawaii supported the intent of this bill. The Hawaii Medical Association and Hawaii Medical Service Association submitted comments.

There are concerns that because the Insurance Division regulates health plans, there might be a conflict of interest in having the Insurance Commissioner conduct the study under this bill.

Accordingly, your Committee has amended this bill by:

- (1) Requiring the Legislative Auditor, rather than the Insurance Commissioner, to prepare the report required by this bill; and
- (2) Making a corresponding change to the source of funding for the report, from the Compliance Resolution Fund to general funds.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2864, 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. 2864, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Yamashita.

SCRep. 1312-08 Consumer Protection & Commerce on S.B. No. 3001

The purpose of this bill is to clarify the law relating to the administration of funds collected from electric utility customers to support energy-efficiency and demand-side management programs and services. Among other things, this bill clarifies:

- (1) That public benefits fees collected to support these programs and services are not to be considered state or public moneys subject to appropriation by the Legislature or to be required to be deposited into the state treasury;
- (2) That the State may participate in these programs and services on the same basis as any other electric customer; and
- (3) The Public Utilities Commission's (PUC) ability to contract with a Public Benefits Fee Administrator who is subject to certain public utility regulations but is not an electric public utility.

The Department of Business, Economic Development, and Tourism, Consumer Advocate, PUC, Hawaii Energy Policy Forum, Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company testified in support of this bill.

Your Committee finds that this bill will help ensure that funds collected from utility customers to support energy efficiency and conservation programs and services will be used for those purposes.

Your Committee has amended this bill by:

- (1) Making it effective upon its 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. 3001, 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. 3001, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Yamashita.

SCRep. 1313-08 Consumer Protection & Commerce on S.B. No. 3016

The purpose of this bill is to encourage competition in the mutual benefit society market by:

- (1) Capping the deposit required to operate a mutual benefit society at \$20,000,000; and
- (2) Deleting the benefit fund requirement under section 432:1-401, Hawaii Revised Statutes.

This bill also requires the Insurance Commissioner to appoint an independent auditor to conduct a financial and operational audit of each domestic mutual benefit society formed prior to 1950.

The Department of Commerce and Consumer Affairs testified in support of this bill. The Hawaii Medical Service Association opposed this bill.

Your Committee has amended this bill by replacing the audit provisions with those requiring the Legislative Auditor to conduct a comprehensive financial audit of all health plans offered by domestic mutual benefit societies, health maintenance organizations, and insurers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3016, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 3016, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Yamashita.

SCRep. 1314-08 Consumer Protection & Commerce on S.B. No. 3011

The purpose of this bill is to sufficiently fund the operating needs of the Insurance Division by authorizing the Insurance Commissioner (Commissioner) to collect assessments on insurers in amounts that would ensure the Insurance Division's continued operations during the first quarter of each fiscal year.

The Department of Commerce and Consumer Affairs testified in support of this bill. State Farm Insurance Companies supported the intent of this measure. Hawaii Insurers Council and Property Casualty Insurers Association of America opposed this bill. The American Council of Life Insurers submitted comments.

The Insurance Division is funded by the Compliance Resolution Fund (CRF). The Commissioner makes assessments on insurers for deposit into the CRF to fund the regulation of the insurance industry. Currently, insurers are assessed to the extent the Commissioner's proposed fiscal year budget exceeds available funds in the CRF at the end of the prior fiscal year and anticipated revenues.

According to the Commissioner, the current law delays the Insurance Division's funding for the first quarter of each fiscal year. That is because the amount of funds at the end of the prior fiscal year must first be determined before an assessment can be made, and because insurers must receive at least 60 days notice of when their assessments are due.

Your Committee finds that the Insurance Division's funding concerns, balanced against the interests of insurers in ensuring that assessments are not excessive, merits further consideration.

Accordingly, your Committee has amended this bill by:

- (1) Blanking out the percentage of the Commissioner's proposed fiscal year budget forming the basis of the amounts assessed by the Insurance Division; 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. 3011, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3011, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives McKelvey, Sonson and Yamashita.

SCRep. 1315-08 Consumer Protection & Commerce on S.B. No. 2407

The purpose of this bill is to strengthen the objectivity of real estate appraisers by prohibiting financial institutions and mortgage brokers or solicitors from improperly influencing the development, reporting, result, or review of a real estate appraisal, if compensation is affected by the appraisal.

The Hawaii Chapter of the Appraisal Institute and Hawaii Bankers Association testified in support of this bill. The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs (DCCA) supported the intent of this measure. DCCA submitted additional comments.

Your Committee has amended this bill by:

- (1) Eliminating references to:
 - (A) Interests in a real estate transaction involving a real estate appraisal; and
 - (B) Coercion, extortion, and bribery as examples of improper influence prohibited by this bill;
- (2) Defining "improperly influence" as including:
 - (A) Communications with the appraiser that suggest or require an appraised value at or above a specific dollar amount; and
 - (B) Communications that suggest or require the appraiser to include or exclude specific comments or factors in the appraisal;
- (3) Eliminating the language in the mortgage broker or solicitor provision setting forth licensing sanctions and fines for violations, which are already provided in other statutes;
- (4) Clarifying that the provisions of this bill are not to be construed as authorizing communications that are otherwise prohibited by law;
- (5) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2407, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2407, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Green, Ito and Sonson.

SCRep. 1316-08 Consumer Protection & Commerce on S.B. No. 2627

The purpose of this bill is to deter the sale of stolen copper to scrap dealers and recyclers by prohibiting cash transactions and identifying the seller in the process of the sales transaction. Specifically, this measure requires:

- (1) Any purchase of copper by a scrap dealer or recycler to be made by check payable to the seller;
- (2) The seller to present to the scrap dealer or recycler a valid photo identification card or license of the seller issued by a federal or state government authorized to issue valid identification at the time of the sale of the copper; and
- (3) The check to either be mailed to the address shown on the identification or picked up personally by the seller at the place of business of the scrap dealer or recycler.

Reynolds Recycling and Okuda Metal, Inc., testified in support of this bill. The Honolulu Police Department opposed this measure.

Your Committee has amended this bill by deleting its contents and replacing it with language contained in H.B. No. 2589, H.D. 2. As amended, this measure requires:

- (1) Every scrap dealer that purchases scrap within the state to obtain a written statement signed by the seller or the seller's agent certifying that the seller or the seller's agent has the lawful right to sell and dispose of the scrap;
- (2) The statement to contain:
 - (A) The seller's name;
 - (B) The seller's business or residence address;
 - (C) The seller's occupation;
 - (D) A description, including serial numbers and other identifying marks, when practical, of every piece of scrap;
 - (E) The amount received by the seller;
 - (F) The date, time, and place of the sale; and
 - (G) The license number of any vehicle used to deliver the property to the place of purchase;
- (3) The scrap dealer to require the seller to verify the seller's identity by presenting proper identification;
- (4) The scrap dealer to keep the signed written statement from the seller, which may be examined at any time by the treasurer or chief of police, for a period of two years after the date of purchase at the dealer's place of business; and

- (5) For purchases of copper, the scrap dealer to:
- (A) Pay for any purchase by check;
 - (B) Issue and mail the check to the seller no sooner than five days after the purchase; and
 - (C) Retain canceled checks for two years and make the checks available for inspection.

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

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2627, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2627, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Green, Ito and Sonson.

SCRep. 1317-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3166

The purpose of this bill is ensure the voices of the small business community in the Kakaako Community Development District (District) are heard by requiring that at least two members of the Hawaii Community Development Authority (HCDA) represent the small business community in the District. This bill also requires the Governor to designate from among existing HCDA members, two of the eligible members to serve as the small business representatives on the HCDA.

Numerous Kakaako small business owners and other 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. 3166 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. 1318-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1891

The purpose of this bill is provide additional tools to address violations of Chapter 171, Hawaii Revised Statutes (HRS), relating to the management and disposition of public lands, by authorizing criminal penalties in addition to existing civil administration penalties. Specifically, this bill makes a violation of Chapter 171, HRS, or any rules adopted thereunder a petty misdemeanor and provides for fines.

The Department of Land and Natural Resources 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. 1891, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1319-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2170

The purpose of this bill is to limit governmental liability for injuries caused by dangerous natural conditions on or near public beach parks.

The Attorney General, Hawaii County Council, Mayor of Maui County, Corporation Counsel of the City and County of Honolulu, and Hawaii State Association of Counties testified in support of this bill. The County of Kauai supported the intent of this measure. The Consumer Lawyers of Hawaii opposed this bill.

As affirmed by the record of votes of the members of your Committee on Water, Land, Ocean Resources & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2170, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1320-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2487

The purpose of this bill is to specify that permissible activities of eleemosynary or religious organizations that lease campsites on state parks or public lands, include fishing, ocean and marine conservation, and forestry.

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. 2487, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1321-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2528

The purpose of this bill is to create a dedicated funding source for the maintenance and operating costs of Kokee State Park and Waimea Canyon State Park by establishing a sub-account for these state parks within the State Parks Special Fund and providing that a certain percentage of all proceeds and user fees collected at these parks be used for the repair, maintenance, and operations of these two state parks.

The Office of Hawaiian Affairs, Malama Kauai, and numerous concerned individuals testified in support of this bill. Several concerned individuals supported this measure with amendments. 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 S.B. No. 2528, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1322-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 2198

The purpose of this bill is to encourage the protection and preservation of land in the state by establishing a Land Conservation Incentives Tax Credit (Tax Credit). Specifically, this bill allows taxpayers to deduct:

- (1) 50 percent of the value of the interest in lands donated in perpetuity for conservation purposes to the State or a conservation agency; or
- (2) 50 percent of the amount invested in the management of lands for conservation purposes under a land protection agreement,

up to \$2,500,000, from their net income tax liability. This bill also authorizes the holder of an interest in agricultural lands that qualifies for the Tax Credit to petition to have the agricultural lands designated as important agricultural lands and qualify for important agricultural lands incentives under Section 205-46, Hawaii Revised Statutes.

The Nature Conservancy of Hawaii, The Trust for Public Land, Maui Land & Pineapple Company, Inc., and a concerned individual testified in support of this bill. The Office of Planning, Department of Land and Natural Resources, and Hawaii Agriculture Research Center supported the intent of this measure. Hawaii Building and Construction Trades Council, AFL-CIO, opposed this bill. The Department of Taxation, Department of Agriculture, and Tax Foundation of Hawaii provided comments.

Upon careful consideration, your Committees have amended this bill by replacing its contents with the language of House Bill No. 2518, H.D. 1. Specifically, this bill has been amended by:

- (1) Deleting the provision that authorizes the holder of an interest in agricultural lands that qualifies for the Tax Credit to petition to have the agricultural lands designated as important agricultural lands and qualify for important agricultural lands incentives under Section 205-46, Hawaii Revised Statutes;
- (2) Deleting the provision that requires the state agency that certifies that a protected resource is significant or important to work with the taxpayer to identify opportunities for public access, if appropriate and reasonable;
- (3) Deleting the provision that when evaluating the fair market value of eligible donations, the amount be substantiated by a qualified appraisal prepared by a qualified appraiser; and
- (4) Removing the sunset date of December 31, 2012.

Your Committees have further amended this bill by changing the effective date to upon its approval.

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. 2198, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2198, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1323-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 2646

The purpose of this bill is to provide tax incentives and protections to establish and sustain viable agricultural operations on important agricultural lands (IALs). Specifically, this bill:

- (1) Exempts income from certain agricultural leases on lands designated as IALs from the income tax;
- (2) Exempts income from certain agricultural leases on lands designated as IALs from the general excise tax;
- (3) Creates an IAL real property tax credit which would make a portion of real property taxes paid on IALs deductible from the taxpayer's income tax;
- (4) Authorizes landowners who have designated their agricultural lands as IALs to construct residential dwellings for farmers, employees, and their families on the IALs on which the farmer, employee, or their families work;
- (5) Creates an IAL agricultural business tax credit that would make a certain percentage of costs for agricultural infrastructure and equipment deductible from the taxpayer's income;
- (6) Authorizes the chairperson of the Board of Agriculture to guarantee agricultural loans for agricultural projects located on IALs; and
- (7) Requires the priority processing of permit applications for agricultural processing facilities submitted by an agribusiness, where the majority of the agribusinesses' lands are designated IAL.

The Department of Agriculture (DOA), Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Dole Food Company Hawaii, Maui Land & Pineapple Company, Inc., and a concerned individual testified in support of this bill. The Office of Planning, Chamber of Commerce of Hawaii, Hawaii Association of REALTORS, and Hawaii Leeward Planning Conference supported the intent of this measure. The Hawaii Farm Bureau Federation, Maui County Farm Bureau, Castle & Cooke Hawaii, and Land Use Research Foundation of Hawaii supported this bill with amendments. The Department of Budget and Finance, Hawaii's Thousand Friends, and Sierra Club-Hawaii Chapter opposed this measure. The Department of Taxation, City and County of Honolulu, Department of Planning and Permitting, and Tax Foundation of Hawaii provided comments.

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

- (1) Replacing its contents with the provisions of House Bill No. 2357, H.D. 1, that, among other things:
 - (a) Does not require the amount of lease rent to be reviewed or approved by DOA if the lease term is shorter than 20 years for purposes of the income tax and general excise tax exemptions;
 - (b) Does not include the IAL real property tax credit;
 - (c) Provides that an unspecified percentage of total IAL land area may be occupied by the farmer and employee dwelling units;
 - (d) Refers to the IAL agricultural business tax credit as the IAL qualified agricultural cost tax credit;
 - (e) Requires a taxpayer to obtain a letter from DOA specifying the qualified agricultural costs that will be claimed, rather than authorizing the taxpayer to request one;
 - (f) Requires DOA to identify sources of water for agricultural operations, particularly on IALs and current and future water needs on IALs;
 - (g) Declares that the incentives for IALs in this Act satisfy the requirements of section 205-46, Hawaii Revised Statutes, and section 9 of Act 183, Session Laws of Hawaii 2005; and
 - (h) Does not provide a sunset date;

and
- (2) Inserting additional language from House Bill No. 2361, H.D. 1, which:
 - (a) Requires the Department of Land and Natural Resources (DNLR) and DOA to jointly identify and map public lands to be designated as IALs;
 - (b) Requires the Land Use Commission to designate those lands identified by DLNR and DOA as IALs; and
 - (c) Transfers management responsibility over the lands designated as IALs to DOA.

Your Committees have further amended this bill by changing the effective date to July 1, 2008, and applicable tax years to taxable years beginning after December 31, 2007.

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. 2646, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2646, S.D. 2, 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. 1324-08 Health on S.B. No. 3075

The purpose of this bill is to authorize the Department of Health (DOH) to demand entry on to any premises to collect samples deemed necessary to conduct an administrative investigation to determine the existence of a disease or series of injuries deemed to threaten the public health or safety. Under this bill:

- (1) The Director of Health must believe that reasonable cause exists for the investigation;
- (2) No entry can occur without the consent of the person in lawful control of the premises, except when exigent circumstances exist. Under these conditions, DOH may apply for an administrative investigation warrant from the appropriate district court to enter the premises;
- (3) The investigation shall be limited to only those actions necessary to confirm or deny the cause that prompted the investigation; and
- (4) When samples are taken, split samples shall be made available to the person whose premise was under investigation.

DOH testified in support of this bill. The American Civil Liberties Union of Hawaii offered comments.

This bill will address recent epidemiological investigations relating to Salmonella and E. coli outbreaks which were impeded by the refusal of certain parties to allow DOH to collect samples.

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. 3075, 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 Awana, Bertram, Cabanilla and Shimabukuro.

SCRep. 1325-08 Health on S.B. No. 1487

The purpose of this bill is to update Hawaii's Uniformed Controlled Substances Act (Act) to conform to amendments made to federal law.

The Department of Public Safety (DPS) supported this bill.

In light of proposed amendments submitted by DPS, your Committee has amended this measure by inserting a new part that, among other things:

- (1) Adds embutramide (Tributame) to the list of depressants under Schedule III of the Act;
- (2) Establishes fines for violations of the Act or rules adopted pursuant to the Act, and allows the Director of Public Safety to impose administrative penalties subject to certain factors;
- (3) Allows the Administrator of the Narcotics Enforcement Division of DPS (Administrator) to institute a civil action for injunctive relief to prevent any violation of the Act;
- (4) Defines "designated member of the health care team" and "physician-patient relationship" under the Act;
- (5) Requires a pharmacist to promptly reduce oral prescriptions to writing, including certain required information;
- (6) Requires practitioners to maintain original prescriptions in accordance with recordkeeping and inventory requirements of federal law and DPS rules;
- (7) Prohibits practitioners from:
 - (A) Pre-dating or pre-signing prescriptions to facilitate the obtaining of controlled substances; and
 - (B) Facilitating the issuance or distribution of a written or oral prescription for a controlled substance when not physically in the state;
- (8) Prohibits the administering, prescribing, or dispensing of any controlled substance without a bona-fide physician-patient relationship, with the exception of pharmacists;
- (9) Repeals existing provisions relating to administrative inspections and warrants and establishes new procedures, powers, requirements, and restrictions for administrative inspections; and
- (10) Establishes that intentional or knowing failure to transmit any information required under the controlled substance electronic accountability prescription shall result in immediate suspension of the pharmacy's ability to dispense controlled substances in the state until authorized by the Administrator.

In addition, your Committee has amended this measure by changing its effective date to July 1, 2008, and 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. 1487, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1487, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary.

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

SCRep. 1326-08 Health/Higher Education on S.B. No. 2040

The purpose of this bill is to advance efforts to improve cancer control by removing the obstacles that impede surveillance of cancer incidence and survival. Specifically, this bill:

- (1) Allows the Department of Health (DOH) to collect data on the morbidity of cancer in cooperation with the University of Hawaii (UH);
- (2) Adds "biological specimens" to the materials that may be collected to assist in certain cancer research studies;
- (3) Requires hospitals, skilled nursing homes, intermediate care homes, free-standing radiation oncology facilities, and other treatment or pathology facilities to submit a report of individuals admitted with or diagnosed as having pre-cancer to the Hawaii Tumor Registry or participating hospital registry;
- (4) Authorizing the Hawaii Tumor Registry to reveal relevant information from cancer studies to appropriate human subject protection boards; and
- (5) Requires researchers to first obtain approval from a patient for a request of information regarding the patient's condition or treatment for certain research studies.

UH and the Hawaii Medical Association (HMA) testified in support of this bill. Kaiser Permanente Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Clarifying the purpose language;
- (2) Allowing all data collected by the agency cooperating with DOH in the collection of morbidity data to be shared with DOH in the form specified by DOH;
- (3) Adding to the list of uses for morbidity data, an improvement in the reporting of the cause of death on death certificates;
- (4) If a cancer research study has been approved by the appropriate federally authorized human subjects protection board:
 - (A) Allowing researchers to use the names of persons or physicians about which statistical material are collected when requesting additional information for research studies;
 - (B) Allowing data or material provided to the Hawaii Tumor Registry to be used in the course of the study; and
 - (C) Allowing researchers to use the names of cancer research study subjects when requesting additional information for research studies;
- (5) Deleting the requirement that hospitals, skilled nursing homes, intermediate care homes, free-standing radiation oncology facilities, and other treatment or pathology facilities must submit a report of individuals admitted with or diagnosed as having pre-cancer to the Hawaii Tumor Registry or participating hospital registry, and instead simply allowing data or material relating to individuals with pre-cancerous conditions to be provided to the Hawaii Tumor Registry;
- (6) Deleting the requirement that researchers first obtain approval from the patient's attending physician for a request for additional information regarding the patient's condition or treatment for certain research studies, when the request is made directly from a patient;
- (7) Changing its effective date to upon its approval; and
- (8) 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 Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2040, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2040, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Berg, Bertram, Saiki and Finnegan.

SCRep. 1327-08 Health/Human Services & Housing on S.B. No. 2831

The purpose of this bill is to assist the University of Hawaii's (UH) Center on Aging Research and Education (Center) in assuring the well-being of Hawaii's older adults by:

- (1) Directing UH to establish up to four faculty positions for the Center; and
- (2) Appropriating an unspecified sum for the Center's faculty positions and program expenses.

The UH at Manoa, National Multiple Sclerosis Society, Policy Advisory Board for Elder Affairs, Hawaii Aging Advocates Coalition, Kokua Council, and several individuals 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 S.B. No. 2831, S.D. 1, and recommend that it be referred to the Committee on Finance.

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

SCRep. 1328-08 Economic Development & Business Concerns on S.B. No. 644

The purpose of this bill is to lower Hawaii's dependence on nonrenewable, imported fuels by:

- (1) Mandating that the primary water heating system for all single-family dwellings built after January 1, 2010, be a solar thermal device;
- (2) For these dwellings, requiring the most practical energy-efficient device for water heating to be installed when use of a solar water heater is impractical or cost prohibitive; and
- (3) Restricting the Solar Thermal Energy System Tax Credit to residences constructed before January 1, 2010.

The Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Sierra Club - Hawaii Chapter, Sierra Club - Oahu Group, Conservation Council for Hawaii, Americans for Democratic Action, Hawaii Chapter, and numerous concerned individuals supported this measure. The Hawaii Renewable Energy Alliance and Dowling Company, Inc., supported the intent of this bill. The Chamber of Commerce of Hawaii, The Gas Company, R&R Services, Inc., Building Industry Association of Hawaii, and Hawaii Island Contractor's Association opposed this bill. The Hawaii Solar Energy Association, Hawaii Solar Association, Department of Taxation, Tax Foundation of Hawaii, and Hawaii Association of REALTORS offered comments.

Your Committee recognizes the incongruity of Hawaii's energy practices with its natural resources. We import oil and fuel at enormous cost while also having some of the most abundant and diverse renewable energy resources in the nation. Your Committee feels that it is imperative that Hawaii exploit its renewable resources and finds that solar water heating systems efficiently promote this agenda. However, your Committee fears that, as written, the mandate for solar water heaters on all newly constructed homes would lead to the installation of sub-standard solar units.

Accordingly, your Committee has amended this measure by:

- (1) Allowing gas driven demand water heating appliances to be installed as an alternative to solar water heaters;
- (2) Extending a 15 percent Solar Thermal Energy System Tax Credit to single-family dwellings constructed after January 1, 2010, conditioned on continued applicability of Hawaiian Electric Company's solar water heater equipment, use, and installation standards program, including its 100-point rating scale for solar water heating units and rebate, to these solar thermal energy systems; and
- (3) Reducing the credit for single-family dwellings constructed before January 1, 2010, from 35 percent to 20 percent of the system cost.

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. 644, S.D. 3, 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. 644, S.D. 3, H.D. 2.

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

SCRep. 1329-08 Economic Development & Business Concerns on S.B. No. 2843

The purpose of this bill is to encourage the recycling of electronic devices in Hawaii by establishing the Electronic Waste Recycling Act. Specifically, this measure:

- (1) Creates a device labeling and manufacturer registration system to identify and account for electronic devices covered by the law;
- (2) Requires that manufacturers implement their own recycling program for covered electronic devices or participate in the Department of Health's (DOH's) program for a fee;
- (3) Requires DOH and manufacturers to annually report on covered electronic devices collected, and DOH to annually determine and inform manufacturers of the share of electronic devices that a manufacturer is responsible for recycling;

- (4) Prohibits the disposal of covered electronic devices in solid waste disposal facilities;
- (5) Establishes fines for noncompliance with the recycling law; and
- (6) Establishes the electronic device recycling fund into which all fees, payments, and penalties collected under the law are to be deposited.

Kauai County Department of Public Works, Sierra Club, and Retail Merchants of Hawaii supported this bill. Sprint Nextel supported the bill with amendments. The Department of Education and the University of Hawaii supported the intent of this measure. The Department of Budget and Finance, and Information Technology Industry Council opposed the measure. DOH, Tax Foundation of Hawaii, Thomson Inc., Covanta Energy Group, AT&T, and Verizon Wireless offered comments.

Your Committee recognizes the growing need for an electronic device recycling program as the world becomes increasingly dependent on computers and other electronic devices. Ten states already have electronic device recycling laws and 14 more are considering passing legislation this year.

Your Committee has amended this bill by:

- (1) Expanding the definition of "covered entity" to include any household, government entity, business, or nonprofit organization;
- (2) Adding computer printers to the definition of "covered electronic device";
- (3) Changing the date on which manufacturers must label covered electronic devices for sale in Hawaii, from January 1, 2009, to October 1, 2009;
- (4) Removing the provisions requiring DOH to develop a recycling program;
- (5) Requiring recyclers to submit by September 1, 2012, and annually thereafter, the total weight of covered electronic devices recycled in the previous year;
- (6) Allowing DOH to publish a ranking of manufacturers based on the total weight each manufacturer recycled in the previous year, and by rule, allow a procurement preference based on a manufacturer's ranking;
- (7) Removing the provisions requiring DOH to determine the share of covered electronic devices each manufacturer is responsible for recycling and allowing DOH to impose fees on manufacturers that fail to recycle their share;
- (8) Removing the penalties for violation of the recycling law; 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 Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2843, 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. 2843, S.D. 2, H.D. 2.

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

SCRep. 1330-08 Economic Development & Business Concerns on S.B. No. 2394

The purpose of this bill is to help small businesses move their innovative ideas from concept to commercialization by removing the \$25,000 cap on matching grants to businesses awarded funds by the federal Small Business Innovation Research and Small Business Technology Transfer programs.

Prior to the hearing on this measure your Committee made available on the Legislature's website, a proposed H.D. 1 that replaces the substance of this bill with provisions that amend Act 150, Session Laws of Hawaii 2007. The amendments transfer funding that was appropriated for a life sciences technology incubator in the Kakaako district of Honolulu, to the planning of a high technology park on Oahu and the development of a technology master plan for the State of Hawaii.

Testimony in support of the proposed H.D. 1 was submitted by the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation.

Your Committee finds that the life sciences technology incubator is no longer a viable project, however there continues to be a need for facilities that will support the growth of Hawaii's high technology industry. Accordingly, your Committee has amended this measure by replacing its substance with that of the proposed H.D. 1.

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. 2394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2394, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Brower, Manahan, Yamane, Ching and Marumoto.

SCRep. 1331-08 Economic Development & Business Concerns on S.B. No. 2829

The purpose of this bill is to allow Hawaii to participate in the National Streamlined Sales Tax Project which is designed to develop and implement a sales and use tax system that radically simplifies sales and use taxes imposed by participating states.

Prior to the hearing on this measure your Committee made available on the Legislature's website a proposed H.D. 1 that replaces the substance of this bill with provisions that on December 31, 2008, repeal all state tax credits and exemptions except for those pertaining to the individual income tax.

A concerned individual supported the proposed H.D. 1. Testimony in opposition to the proposed bill was submitted by Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; Hawaii County Office of Housing and Community Development; Kauai County Housing Agency; Hawaiian Telcom; Kapolei Property Development, LLC; Hawaii Science & Technology Council; Hawaii Aquaculture Association; PacifiCap; Hawaii Association of REALTORS; Taro Dream, Inc.; NetEnterprise, Inc.; Island News Technologies, LLC; Kukuipahu Energy, LLC; Referentia Systems; Pacific Lightnet; Hawaii Renewable Energy Alliance; Makai Ocean Engineering, Inc.; Ocean Engineering & Energy Systems; Innovasc, LLC; Carbon Diversion, Inc.; Hawaii Biotech, Inc.; Hawaii Institute for Molecular Sciences; Pukoa Scientific; Ocean Network, LLC; Hawaii Film and Entertainment Board; Oceanic Institute; Central Pacific Bank; KMH, LLP; State Farm; American Council of Life Insurers; Waimana; Integrated Coffee Technologies, Inc.; Ventura Technology; Sennet Capital; Navatek, Ltd.; Aloha Island, Inc; Kobayashi Development Group, LLC; Home Baked Entertainment; Honua Technologies; Marine Minerals Technology Center Associates; ProVision Technologies, Inc.; Blazing Sun Hawaii, Inc.; Maui Angels; EAH Housing; MailMining, LLP; IATSE Local 665; Curtis Consulting, LLC; ThinkTech Hawaii; BC&G International; Archinoetics, LLC; Edutainment Resources, Inc.; PacifiCap Management, Inc.; H2 Technologies, Inc.; 3rd Green, Inc.; Oceanit; Farnsworth Consulting; Hawaii Angels; Cardax Pharmaceuticals; Johnson, Butler & Company; Decision Research Corporation; Island Planet One Productions; Hawaii Venture Capital Association; Oceantek, Inc.; HOCOR Cardiovascular Technologies, LLC; Global Education Trust; HARK, Inc.; Hawaii Film Partners; Neptune Technologies, Inc.; Applied Marine Solutions; Ambient Micro, LLC; SYNCADD Systems, Inc.; Hawaii Solar Energy Association; SunEdison; Hawaiian Electric Company, Inc.; Maui Electric Company; Hawaii Electric Light Company, Inc.; Hawaii Bankers Association; Ecogenix; Catholic Charities Hawaii; Koke-Kula Records & Publishing; Palm Records; Aumakua Records; Strategic Transitions Research, Inc.; Dowling Company, Inc.; Kinetic Films/Kinetic Productions; Birds of Paradise Recording Co., Inc.; Carbon Diversion, Inc.; KAI Hawaii, Inc.; For Pineapple Pictures, LLC; and numerous concerned individuals. The Department of Taxation (DOTAX), Tax Foundation of Hawaii, and Maui Economic Development Board, Inc., offered comments.

Your Committee finds that more information is needed to allow the Legislature to determine whether these tax credits and exemptions serve their intended purposes and should be continued. Your Committee has amended this bill by replacing its substance with that of H.B. No. 2942, H.D. 1, which:

- (1) Sets a group of tax credits and exemptions for repeal on December 31, 2010, another group for repeal on December 31, 2011, and a third group for repeal on December 31, 2012;
- (2) Requires DOTAX to evaluate the tax credits and exemptions in groups, by their repeal dates, and submit reports to the 2010, 2011, and 2012 Legislatures on whether these credits should be continued, modified, or permitted to expire;
- (3) Provides that the report also contain suggestions for modifying and improving credits and exemptions, including those not recommended to be continued;
- (4) Requires certain credits and exemptions to be evaluated by the Department of Human Services (DHS) instead of DOTAX, and that DHS' reports are to be included in DOTAX's reports;
- (5) Appropriates funds for an economist, research statistician, and administrative rules specialist to assist DOTAX in performing its duties under this bill; and
- (6) Establishes a penalty for persons who cannot show a reasonable basis for a claimed tax refund or credit that exceeds the amount allowed by law.

Your Committee has amended these provisions to push the due date of the reports back by one year, with the first report due in 2009, to provide approximately two years between the time the reports are submitted to the Legislature and the time the credits and exemptions are set for repeal. 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. 2829, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2829, 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 and Ching.

SCRep. 1332-08 Economic Development & Business Concerns on S.B. No. 2891

The purpose of this bill is to support efforts toward building an aerospace industry in Hawaii by continuing to provide funding for the Pacific International Space Center for Exploration Systems.

The University of Hawaii at Hilo, Hawaii Island Economic Development Board, SpacePartnerships.com, Enterprise Honolulu, The Boeing Company, Japan Manned Space Systems, Center for Space Resources, Japan-United States Science, Technology, and Space Applications Program, and many concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this measure.

Your Committee has amended this bill by changing its 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 S.B. No. 2891, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2891, 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 Ching.

SCRep. 1333-08 Judiciary on S.B. No. 1343

The purpose of this bill is to further protect victims of domestic violence by including violations of restraining orders and police orders as offenses of terroristic threatening in the first degree and assault in the second degree.

The Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, Hawaii Police Department, Honolulu Police Department, and Hawaii State Coalition Against Domestic Violence testified in support of this bill. The Office of the Public Defender opposed this measure.

Your Committee has amended this bill by:

- (1) Excluding ex parte orders from among the court orders covered by the criminal offense;
- (2) Changing its 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 S.B. No. 1343, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1343, S.D. 1, H.D. 2.

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

SCRep. 1334-08 Judiciary on S.B. No. 2004

The purpose of this bill is to assist in ensuring that children with disabilities receive appropriate special education by:

- (1) Extending from 90 days to one year the time allowed for their parents or guardians or the Department of Education (DOE) to request an impartial hearing regarding reimbursement for the costs of a child's unilateral placement in special education;
- (2) Requiring that rules adopted by DOE pertaining to the impartial hearing provide that the prevailing party is entitled to the reimbursement of expert witness and other relevant fees and expenses associated with the hearing; and
- (3) Requiring DOE to submit annual reports to the Legislature that provide the total number of requests for a due process hearing relating to the reimbursement of costs for a child's placement, filed by a parent or guardian of a child with a disability.

The Hawaii Disability Rights Center, Community Children's Councils in Hawaii, Special Education Advisory Council, Autism Society of Hawaii, Autism Speaks, and numerous concerned individuals supported this bill. The State Council on Developmental Disabilities supported the intent of this bill. DOE did not support this measure. The Attorney General opposed this bill.

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

- (1) Deleting the provision requiring that rules adopted by DOE pertaining to the impartial hearing provide that the prevailing party is entitled to the reimbursement of expert witness and other relevant fees and expenses associated with the hearing;
- (2) Requiring DOE to exercise oversight and monitoring of all children who have undergone unilateral special education placement; and
- (3) Repealing the provisions of this bill on July 1, 2010.

As affirmed by the record of votes of 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. 2004, 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. 2004, S.D. 2, H.D. 2.

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

SCRep. 1335-08 Judiciary on S.B. No. 2150

The purpose of this bill is to protect adults who are vulnerable and unable to fully care for themselves by expanding the types of abuse from which vulnerable adults are protected and expanding the authority to investigate allegations of abuse, neglect, and financial exploitation.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Catholic Charities Hawaii, Healthcare Association of Hawaii, ILWU Local 142, Kokua Council, National Association of Social Workers – Hawaii Chapter, National Multiple Sclerosis Society, and a concerned individual testified in support of this bill. The Department of Human Services provided comments.

Your Committee has amended this bill by:

- (1) Eliminating references to neglect, which is addressed in the definition of "abuse" under this measure;
- (2) Eliminating reference to negligence with regard to financial exploitation;
- (3) Clarifying the types of social workers that are required to report abuse of vulnerable adults;
- (4) Adding a representative of the facility in which the vulnerable adult resides or is a patient as a party required to be issued notice of adult protective services proceedings;
- (5) Conforming other statutes to reflect the changes in this measure; and
- (6) Making numerous 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. 2150, 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. 2150, S.D. 2, H.D. 1.

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

SCRep. 1336-08 Judiciary on S.B. No. 2196

The purpose of this bill is to authorize the Board of Land and Natural Resources to regulate commercially permitted uses of both governmental and private boating facilities as well as commercial activities in private marinas.

The Ocean Tourism Coalition and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources and a concerned individual provided comments.

Your Committee notes that this measure is not intended to newly regulate commercial fishing operations already subject to regulations, permitting, or oversight by the State.

Accordingly, your Committee has amended this measure by clarifying that this proposed new regulation of uses and activities does not apply to uses or activities already regulated by the State pursuant to other chapters of the Hawaii Revised Statutes.

This bill has also been amended 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. 2196, 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. 2196, S.D. 2, H.D. 1.

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

SCRep. 1337-08 Judiciary on S.B. No. 2396

The purpose of the bill is to increase protections for state mental health workers, minimize the census at the Hawaii State Hospital, and promote community-based health services for forensic patients by, among other things:

- (1) Establishing that a person commits the felony offense of assault in the second degree if the person knowingly or intentionally causes bodily injury to a person employed at a state-operated or state-contracted mental health facility;
- (2) Requiring the Department of Health (DOH) to submit an annual report that, at a minimum, summarizes yearly data on forensic patients;
- (3) Requiring yearly court status hearings for individuals ordered to be conditionally released or hospitalized as an inpatient by the mental health court;
- (4) Reducing the minimum length of hospitalization from 90 to 30 days for individuals who are recommitted after conditional release; and
- (5) Appropriating funds for the operation and expansion of the mental health court.

Your Committee received testimony in support of this measure from the Department of Health and The Queen's Medical Center. The Hawaii Government Employees Association supported the intent of the measure. The Office of the Public Defender did not support this bill. The Judiciary submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the provision establishing that a person commits the felony offense of assault in the second degree if the person knowingly or intentionally causes bodily injury to a person employed at a state-operated or state-contracted mental health facility; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2396, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2396, S.D. 1, H.D. 2.

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

SCRep. 1338-08 Judiciary on S.B. No. 2977

The purpose of this bill is to bring the Child Support Enforcement Agency (CSEA) into compliance with federal law and improve CSEA actions. Specifically, this bill:

- (1) Clarifies, in accordance with federal law, the requirements for notice to custodial parents of state income tax refund setoffs;
- (2) Creates another assistant administrator position within CSEA to develop and implement comprehensive planning and policy;
- (3) Allows CSEA, on its own behalf, to request a hearing, instead of having to wait for one of the parties to make a request;
- (4) Allows CSEA to sign proposed administrative orders when no request for a hearing is received by CSEA; and
- (5) Transfers two personnel employed by the Family Support Division of the County of Kauai to the Department of the Attorney General (AG).

The AG supported 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 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. 2977, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2977, S.D. 1, H.D. 2.

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

SCRep. 1339-08 Judiciary 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 the investigation of violations of the Uniform Controlled Substances Act; and
- (2) Fund the Narcotics Enforcement Division's forensic drug laboratory facility.

In addition, this bill conforms Hawaii's controlled substance schedules to changes made in federal law.

The Department of Public Safety and Honolulu Police Department supported this bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1491, 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 Luke, Morita, Sonson and Thielen.

SCRep. 1340-08 Judiciary on S.B. No. 3051

The purpose of the bill is to authorize the Department of Human Services (DHS) or its designee to conduct criminal history record checks on those providing services to vulnerable adults and children.

DHS, the Office of Youth Services, Disability and Communication Access Board, and National Association of Social Workers – Hawaii Chapter supported this bill. The Consumer Data Industry Association supported the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3051, 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 Morita, Sonson and Pine.

SCRep. 1341-08 Judiciary on S.B. No. 2202

The purpose of this bill is to allow a candidate running for the office of prosecuting attorney to qualify for partial public campaign financing, subject to campaign expenditure limits.

The Campaign Spending Commission testified in support of this bill.

Your Committee has amended this bill by changing its effective date to January 1, 2012.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2202, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1342-08 Judiciary on S.B. No. 3019

The purpose of this bill is to amend certain provisions of the Insurance Code to allow insurers more flexibility in their investments, subject to certain limitations, and to update the Investment Pools law to reflect current regulatory standards.

The Department of Commerce and Consumer Affairs, Artex Risk Solutions, Inc., Hawaii Medical Service Association, Pacific Guardian Life Insurance Company, Ltd., and Willis Management (Hawaii) supported this bill. The Hawaii Captive Insurance Council supported the intent of this measure.

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

- (1) Deleting the requirement that an insurer maintain 100 percent of its ceded reinsurance premium payable required by the Insurance Code in certain assets; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3019, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3019, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1343-08 Judiciary on S.B. No. 711

The purpose of this bill is to:

- (1) Establish a ten-year statute of limitations on tax collections; and
- (2) Clarify that the three-year statute of limitations on tax assessments for the general excise tax, use tax, and other period taxes begins at the filing of each periodic return.

The Chamber of Commerce of Hawaii; Hawaii Society of Certified Public Accountants; Horwath Kam & Company; Chun, Kerr, Dodd, Beaman & Wong; and concerned licensed attorneys practicing in tax law testified in support of this bill. The Department of Taxation opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee amended this bill by:

- (1) Extending by one year, from June 30, 2017, to June 30, 2018, the barring of any levy for assessments made before July 1, 2008;
- (2) Applying the effect of the Act to tax returns filed after June 30, 2008; and
- (3) Changing its effective date to July 1, 2008.

Other 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. 711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Waters and Yamane. (Representative Thielen voted no.)

SCRep. 1344-08 Judiciary on S.B. No. 3202

The purpose of this bill is to amend article VI, section 3, of the Constitution of the State of Hawaii to extend the mandatory retirement age of all state judges and justices from seventy years of age to eighty years of age.

AARP Hawaii, the Hawaii Government Employees Association, and an individual testified in support of this bill. The Office of the Governor, Department of the Attorney General, the Judicial Selection Commission, and the City and County of Honolulu Department of the Prosecuting Attorney opposed this measure. The American Civil Liberties Union of Hawaii offered comments.

Your Committee has amended this bill by making the extended mandatory retirement age applicable only to those justices and judges appointed after November 4, 2008, the date of the general election when voters will decide on this proposed constitutional amendment. The question to be placed on the ballot for this proposed constitutional amendment has also been amended accordingly.

As affirmed by the record of votes of 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. 3202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3202, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Luke, Sonson and Thielen.

SCRep. 1345-08 Judiciary on S.B. No. 3069

The purpose of this bill is to require the courts to provide the Director of Health (Director) with existing medical, mental health, social, police, and juvenile records of defendants who are committed to a hospital under the control of the Director or to the custody of the Director.

The Department of Health (DOH) and the Judiciary testified in support of this bill with amendments. The City and County of Honolulu Department of the Prosecuting Attorney opposed this measure. The Office of the Public Defender offered comments.

Your Committee has amended this bill by:

- (1) Deleting provisions that require the courts to provide the Director with existing medical, mental health, social, police, and juvenile records of defendants who are committed to a hospital under the control of the Director or to the custody of the Director;
- (2) Making the county police departments responsible for providing to the Director certain police records of defendants who are committed to a hospital under the control of the Director or to the custody of the Director;
- (3) Providing the defendant with an opportunity to object to the release of information;
- (4) Changing its effective date to January 1, 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 S.B. No. 3069, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3069, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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

SCRep. 1346-08 Legislative Management on S.B. No. 868

The purpose of this bill is to ensure open communication between the Legislature and State boards and commissions. This bill allows a board or commission, rather than a head of a department, to communicate directly with the Legislature or a legislative committee at the request of the Legislature or the legislative committee.

The Office of the Governor and an individual testified in opposition to this bill.

Your Committee finds that there are times when a board or commission may have views or opinions that differ from the department head or the Governor. On these occasions, the department head may not be the appropriate representative for the board or commission.

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. 868, 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 Chong.

SCRep. 1347-08 Legislative Management on S.B. No. 2824

The purpose of this bill is to strengthen the State's procurement process by:

- (1) Requiring that the Procurement Policy Board annually perform random compliance audits on at least two governmental departments, divisions, or agencies for compliance with the Hawaii Public Procurement Code (Code) based on patterns of noncompliance or indications of circumventing the law; and
- (2) Requiring the Auditor to conduct a compliance, performance, and management audit of the State Procurement Office and the purchasing agencies of the Executive Branch to determine compliance with the Code.

The Department of Accounting and General Services testified in opposition to 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. 2824, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

SCRep. 1348-08 Legislative Management on S.B. No. 2830

The purpose of this bill is to ensure the necessary community resources for caregivers by, among other things:

- (1) Extending the work of the Joint Legislative Committee on Family Caregiving to June 30, 2009, and changing its name to the Joint Legislative Committee on Aging in Place (Committee);
- (2) Expanding the Committee's mandate to include aging-in- place issues as they relate to family caregiving;
- (3) Requiring the Hawaii Aging and Disability Resource Center to provide an update on the implementation of its physical site in the County of Hawaii and its virtual site in the City and County of Honolulu;
- (4) Requiring the Committee to design a cash and counseling project for non-Medicaid participants and appropriating unspecified funds for this purpose;
- (5) Authorizing the Kupuna Care Program to include emergency, overnight, and weekend respite services as well as provide grants to caregivers and for home modifications that facilitate aging in place;
- (6) Appropriating unspecified funds to the Executive Office on Aging (EOA) for the Kupuna Care Program;
- (7) Establishing a Grandparents Raising Grandchildren Task Force to focus on the needs and issues of grandparents raising grandchildren;
- (8) Appropriating unspecified funds to EOA to continue its respite-care inventory project; and
- (9) Increasing the maximum state supplemental payment from \$641.90 to \$686.83 for adult residential care homes classified as facility type I and from \$749.90 to \$802.39 for adult residential care homes classified as facility type II, and appropriating unspecified funds for this purpose.

The following testified in support of this bill: State Council on Developmental Disabilities, Disability and Communication Access Board, Department of Community Services of the City and County of Honolulu, Kokua Council, Policy Advisory Board for Elder Affairs, AARP, Hawaii Alliance for Retired Americans, Hawaii Aging Advocates Coalition, Catholic Charities Hawaii, Hawaii Coalition of Caregivers, ILWU Local 142, National Multiple Sclerosis Society, United Group of Home Operators, Filipino American Citizens League, Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, United Filipino Council of Hawaii, Congress of Visayan Organizations, Home and Community Services, Adult Foster Home Association, and several individuals. The Department of Human Services opposed this measure, and EOA 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 S.B. No. 2830, S.D. 2, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

SCRep. 1349-08 Legislative Management on S.B. No. 2845

The purpose of this bill is to direct the Legislative Reference Bureau (LRB) to conduct a study to identify and evaluate options for reorganizing the state agencies that are integral to achieving the State's energy objectives.

This study will:

- (1) Identify the statutory responsibilities of state agencies that are integral to successfully achieving state energy objectives;

- (2) Identify any duplication or deficiency in these state agencies' responsibilities relating to state energy objectives;
- (3) Research how other states address similar deficiencies in the administration of their energy policies; and
- (4) Make recommendations regarding how the state agencies can be reorganized to achieve state energy objectives and advance the State's long-term energy strategy.

This bill also appropriates an unspecified sum for LRB to contract for this study.

Hawaii Renewable Energy Alliance testified in support of this bill. The Department of Business, Economic Development, and Tourism and the State Procurement Office opposed this measure. LRB 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 S.B. No. 2845, S.D. 2, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Chong.

SCRep. 1350-08 Labor & Public Employment on S.B. No. 2395

The purpose of this bill is to make government more easily accessible to individuals with limited English proficiency by:

- (1) Clarifying and expanding definitions in Hawaii's language access law;
- (2) Adding the definitions of "purchase-of-service contract" and "written language services" to Hawaii's language access law;
- (3) Expanding the membership of the Language Access Advisory Council (LAAC) to include a member from each county in the state who has an interest in language access as well as a representative of the Disability and Communication Access Board (DCAB) as an ex-officio member; and
- (4) Clarifying that the Executive Director of the Hawaii Civil Rights Commission or an authorized representative shall serve as an ex-officio member of LAAC.

The Office of Language Access, Congress of Visayan Organizations, DCAB, and a concerned individual testified in support of this bill. The Hawaii Interpreter Action Network supported this bill with amendments. The Hawaii Civil Rights Commission provided comments.

Persons who do not speak English as a primary language are a significant portion of Hawaii's population. However, many individuals with limited English proficiency sometimes have difficulty obtaining services from state agencies because of their limited ability in the English language. As a result of this need, the Legislature passed Act 290, Session Laws of Hawaii 2006, which began to address the language access needs of limited English proficient persons.

Your Committee finds that we must continue to ensure that all residents of Hawaii, including non-English speakers and limited-English speakers, enjoy full access to and participate in the life of our community and that this measure continues to work toward that goal.

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. 2395, 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 except Representatives Har, Luke, Nakasone, Nishimoto, Meyer and Pine.

SCRep. 1351-08 Higher Education/Education on H.C.R. No. 170

The purpose of this concurrent resolution is to request the University of Hawaii and the Department of Education to develop, offer, and expand Philippine language courses.

The University of Hawaii System and the Department of Education offered comments on 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. 170 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1352-08 Higher Education on H.R. No. 245

The purpose of this resolution is to urge the University of Hawaii and supporting members of the community to move forward as expeditiously as possible to implement the plans that have been developed for construction of the Cancer Research Center of Hawaii at Kakaako.

The University of Hawaii System offered comments on 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. 245 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, Cabanilla and Saiki.

SCRep. 1353-08 Higher Education on H.C.R. No. 294

The purpose of this concurrent resolution is to urge the University of Hawaii and supporting members of the community to move forward as expeditiously as possible to implement the plans that have been developed for construction of the Cancer Research Center of Hawaii at Kakaako.

The University of Hawaii System offered comments on 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. 294 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, Cabanilla and Saiki.

SCRep. 1354-08 Higher Education on H.R. No. 246

The purpose of this resolution is for the Legislature to offer support to the University of Hawaii in its efforts to enhance and diversify its sources of revenue and maximize use of its facilities.

The University of Hawaii System testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 246 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1355-08 Higher Education on H.C.R. No. 295

The purpose of this concurrent resolution is for the Legislature to offer support to the University of Hawaii in its efforts to enhance and diversify its sources of revenue and maximize use of its facilities.

The University of Hawaii System testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 295 and recommends that it be referred to the Committee on Finance.

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

SCRep. 1356-08 Higher Education on H.R. No. 260

The purpose of this resolution is to urge the University of Hawaii to extend its land lease with the High Technology Development Corporation to continue to operate the Manoa Innovation Center.

The High Technology Development Corporation testified in support of this resolution. The University of Hawaii System offered comments on 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. 260 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 1357-08 Higher Education on H.C.R. No. 312

The purpose of this concurrent resolution is to urge the University of Hawaii to extend its land lease with the High Technology Development Corporation to continue to operate the Manoa Innovation Center.

The High Technology Development Corporation testified in support of this concurrent resolution. The University of Hawaii System offered comments on 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. 312 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 1358-08 Education/Higher Education on H.R. No. 135

The purpose of this resolution is to urge Congress to pass legislation that requires full funding of the Elementary and Secondary Education Act of 1965 and the Individuals With Disabilities Education Act.

Testimony in support of this measure was received from the Department of Education and the Disability and Communication Access Board. The Special Education Advisory Council offered comments on this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 135 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1359-08 Education/Higher Education on H.C.R. No. 162

The purpose of this concurrent resolution is to urge Congress to pass legislation that requires full funding of the Elementary and Secondary Education Act of 1965 and the Individuals With Disabilities Education Act.

Testimony in support of this measure was received from the Department of Education and the Disability and Communication Access Board. The Special Education Advisory Council offered comments on this measure.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 162 and recommend that it be referred to the Committee on Finance.

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

SCRep. 1360-08 Health on H.R. No. 193

The purpose of this resolution is to address the shortage of physicians on our neighbor islands by requesting the University of Hawaii's John A. Burns School of Medicine to provide admission preference to students that mirrors the demographics of rural health professional shortage areas of the State.

The Consumer Lawyers of Hawaii supports this resolution. The University of Hawaii and the Hawaii Medical Association support the intent of 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 H.R. No. 193 and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1361-08 Health on H.C.R. No. 226

The purpose of this concurrent resolution is to address the shortage of physicians on our neighbor islands by requesting the University of Hawaii's John A. Burns School of Medicine to provide admission preference to students that mirrors the demographics of rural health professional shortage areas of the State.

The Consumer Lawyers of Hawaii supports this concurrent resolution. The University of Hawaii and the Hawaii Medical Association support the intent of 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. 226 and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1362-08 Consumer Protection & Commerce on H.C.R. No. 62

The purpose of this concurrent resolution is to request the Auditor to conduct an impact assessment report of the social and financial impacts of mandating health insurers to provide coverage for the diagnosis and treatment of autism spectrum disorders and submit findings and recommendations to the Legislature prior to the convening of the Regular Session of 2009.

The State Council on Developmental Disabilities, the Disability and Communication Access Board, Autism Speaks (formerly Cure Autism Now), the Hawaii Disability Rights Center (formerly the Protection and Advocacy Agency of Hawaii), Kaiser Permanente, parents of an autistic child and concerned citizens supported the intent of the measure. HMSA expressed concerns and 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 concurs with the intent and purpose of H.C.R. No. 62 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Evans, Green, Herkes and Yamane.

SCRep. 1363-08 Agriculture on H.R. No. 99

The purpose of this resolution is to support Hawaii's agricultural industry by requesting the University of Hawaii Agricultural Diagnostic Service Center, in consultation with certain public and private entities, to survey the information needs of Hawaii's agricultural industry and assess whether the Hawaii Agricultural Information Center can meet the needs of the agricultural industry.

UH-ADSC, Mobilesoft International, LLP, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 99 and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1364-08 Agriculture on H.C.R. No. 116

The purpose of this concurrent resolution is to support Hawaii's agricultural industry by requesting the University of Hawaii Agricultural Diagnostic Service Center, in consultation with certain public and private entities, to survey the information needs of Hawaii's agricultural industry and assess whether the Hawaii Agricultural Information Center can meet the needs of the agricultural industry.

UH-ADSC, Mobilesoft International, LLP, and a concerned individual supported this measure.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 116 and recommends that it be referred to the Committee on Higher Education.

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

SCRep. 1365-08 Consumer Protection & Commerce on H.C.R. No. 50

The purpose of this concurrent resolution is to request the auditor to perform a study to determine whether model photographers should be licensed by the Director of the Department of Commerce and Consumer Affairs.

This resolution also requests that the Auditor submit to the Legislature a report on its findings and recommendations no later than twenty days prior to the convening of the Regular Session of 2009 and that certified copies of this Concurrent Resolution be transmitted to the Auditor and Director of Commerce and Consumer Affairs.

One concerned individual submitted comments.

Upon further consideration, your Committee on Consumer Protection & Commerce has amended this concurrent resolution by adding wedding photographers to the study.

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. 50, 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. 50, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Green, Herkes and Yamane.

SCRep. 1366-08 Health on H.R. No. 127

The purpose of this concurrent resolution is to alleviate the overwhelming financial burdens and assist those who need help without having further hardships placed upon them by urging Hawaii's Health Insurers to provide coverage for fees charged for letters provided by a physician as verification of a patient's disability or other condition for which substantiation is necessary.

The Disability and Communication Access Board supports this concurrent resolution. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee acknowledges that there are many reasons why a person may need a letter from a physician, including workers who seek reasonable accommodation on the job, time off for family medical leave for a serious or life-threatening illness or who are returning to work.

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. 127 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1367-08 Health on H.C.R. No. 148

The purpose of this concurrent resolution is to alleviate the overwhelming financial burdens and assist those who need help without having further hardships placed upon them by urging Hawaii's Health Insurers to provide coverage for fees charged for letters provided by a physician as verification of a patient's disability or other condition for which substantiation is necessary.

The Disability and Communication Access Board supports this concurrent resolution. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee acknowledges that there are many reasons why a person may need a letter from a physician, including workers who seek reasonable accommodation on the job, time off for family medical leave for a serious or life-threatening illness or who are returning to work.

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. 148 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1368-08 Health on H.R. No. 202

The purpose of this measure is to study the financial and economic impact of chronic kidney disease in Hawaii.

Specifically, this measure requests the Legislative Reference Bureau to conduct a study on the potential financial and economic impact to the State and the State's healthcare system of providing care for patients in all stages of chronic kidney disease. In addition, this measure requests that the Legislative Reference Bureau consult with and utilize data available from the John A. Burns School of Medicine and the Hawaii chapter of the National Kidney Foundation in preparing the study.

Testimony in support of this measure was submitted by the Hawaii chapter of the National Kidney Foundation and St. Francis Healthcare System of Hawaii. Comments on this measure were submitted by the Legislative Reference Bureau.

Your Committee recognizes that Hawaii has a high incidence of chronic kidney disease and end-stage renal disease and that the number of these patients is growing. Your Committee believes that this study will help to assess the financial and economic impacts of chronic kidney disease on the State's economy and healthcare systems. Your Committee believes that this study could pave the way to providing new strategies for preventing and treating chronic kidney disease in the State.

Upon further consideration, your Committee finds that the Department of Business, Economic Development, and Tourism possesses the most appropriate resources to conduct an economic analysis to determine the impact of chronic kidney disease on the State's economy. Accordingly, your Committee has amended this measure as follows:

- (1) By requesting that the Department of Business, Economic Development, and Tourism conduct a study on the impact of chronic kidney disease on the State's economy and report its findings to the Legislature;
- (2) By requesting St. Francis Healthcare System of Hawaii to provide data and information to assist the Legislative Reference Bureau and the Department of Business, Economic Development, and Tourism with their studies;
- (3) By amending the title of this measure to reflect that the Department of Business, Economic Development, and Tourism is being requested to conduct a separate study; and
- (4) By making technical amendments for the purposes of 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. 202, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 202, H.D. 1.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1369-08 Health on H.C.R. No. 239

The purpose of this measure is to study the financial and economic impact of chronic kidney disease in Hawaii.

Specifically, this measure requests the Legislative Reference Bureau to conduct a study on the potential financial and economic impact to the State and the State's healthcare system of providing care for patients in all stages of chronic kidney disease. In addition, this measure requests that the Legislative Reference Bureau consult with and utilize data available from the John A. Burns School of Medicine and the Hawaii chapter of the National Kidney Foundation in preparing the study.

Testimony in support of this measure was submitted by the Hawaii chapter of the National Kidney Foundation and St. Francis Healthcare System of Hawaii. Comments on this measure were submitted by the Legislative Reference Bureau.

Your Committee recognizes that Hawaii has a high incidence of chronic kidney disease and end-stage renal disease and that the number of these patients is growing. Your Committee believes that this study will help to assess the financial and economic impacts of chronic kidney disease on the State's economy and healthcare systems. Your Committee believes that this study could pave the way to providing new strategies for preventing and treating chronic kidney disease in the State.

Upon further consideration, your Committee finds that the Department of Business, Economic Development, and Tourism possesses the most appropriate resources to conduct an economic analysis to determine the impact of chronic kidney disease on the State's economy. Accordingly, your Committee has amended this measure as follows:

- (1) By requesting that the Department of Business, Economic Development, and Tourism conduct a study on the impact of chronic kidney disease on the State's economy and report its findings to the Legislature;
- (2) By requesting St. Francis Healthcare System of Hawaii to provide data and information to assist the Legislative Reference Bureau and the Department of Business, Economic Development, and Tourism with their studies;
- (3) By amending the title of this measure to reflect that the Department of Business, Economic Development, and Tourism is being requested to conduct a separate study; and
- (4) By making technical amendments for the purposes of 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. 239, 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. 239, H.D. 1.

Signed by all members of the Committee except Representative Belatti.

SCRep. 1370-08 Consumer Protection & Commerce on H.R. No. 57

The purpose of this resolution is to support the adoption of the surplus lines insurance multi-state compliance compact and to request that the Insurance Commissioner work with the National Association of Insurance Commissioners in developing proposed legislation for surplus lines insurance multi-state compliance compact to be adopted by the State.

The adoption of the surplus lines insurance multi-state compliance compact will streamline regulatory requirements by providing for:

- (1) Exclusive single-state regulatory compliance for multi-state surplus lines and independently procured insurance placements;
- (2) Uniform premium tax allocation formulas; and
- (3) A clearinghouse to facilitate the correct calculation; and reporting of premium taxes due to the compacting states.

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. 57 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Green, Herkes and Yamane.

SCRep. 1371-08 Consumer Protection & Commerce on H.C.R. No. 66

The purpose of this concurrent resolution is to support the adoption of the surplus lines insurance multi-state compliance compact and to request that the Insurance Commissioner work with the National Association of Insurance Commissioners in developing proposed legislation for surplus lines insurance multi-state compliance compact to be adopted by the State.

The adoption of the surplus lines insurance multi-state compliance compact will streamline regulatory requirements by providing for:

- (1) Exclusive single-state regulatory compliance for multi-state surplus lines and independently procured insurance placements;
- (2) Uniform premium tax allocation formulas; and
- (3) A clearinghouse to facilitate the correct calculation; and reporting of premium taxes due to the compacting states.

The Department of Commerce and Consumer Affairs submitted testimony in support of the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 66 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Green, Herkes and Yamane.

SCRep. 1372-08 Consumer Protection & Commerce on H.R. No. 102

The purpose of this measure is to request that the Hawaii Association of Realtors

- (1) Promote the marketing of properties which incorporate the principles of universal design into their design;
- (2) Develop standards for determining whether a property incorporates universal design principles into its design;
- (3) Designate a symbol, to be included within their listing of a property, which would indicate whether a property satisfied their standards for determining whether a property has incorporated universal design principles into its design; and
- (4) Report to the Legislature regarding the establishment of these standards and the designation of a symbol not later than twenty days prior to the convening of Regular Session of 2009.

Comments on the measure were submitted by the Hawaii Association of Realtors and the Disability and Communication Access Board.

Your committee finds that the principles of universal design should be promoted within the field of real estate marketing.

Your committee has amended this measure by:

- (1) Deleting all references to the Hawaii Association of Realtors and substituting the National Association of Home Builders, in its place;
- (2) Providing that, for the purpose of developing standards for determining whether a property incorporates universal design principles into its design, the Disability and Communication Access Board will be available to provide technical assistance to the National Association of Home Builders; and
- (3) Making nonsubstantive amendments throughout the measure for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 102, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Green, Herkes and Yamane.

SCRep. 1373-08 Consumer Protection & Commerce on H.C.R. No. 120

The purpose of this measure is to request that the Hawaii Association of Realtors

- (1) Promote the marketing of properties which incorporate the principles of universal design into their design;
- (2) Develop standards for determining whether a property incorporates universal design principles into its design;
- (3) Designate a symbol, to be included within their listing of a property, which would indicate whether a property satisfied their standards for determining whether a property has incorporated universal design principles into its design; and
- (4) Report to the Legislature regarding the establishment of these standards and the designation of a symbol not later than twenty days prior to the convening of Regular Session of 2009.

Comments on the measure were submitted by the Hawaii Association of Realtors and the Disability and Communication Access Board.

Your committee finds that the principles of universal design should be promoted within the field of real estate marketing.

Your committee has amended this measure by:

- (1) Deleting all references to the Hawaii Association of Realtors and substituting the National Association of Home Builders, in its place;
- (2) Providing that, for the purpose of developing standards for determining whether a property incorporates universal design principles into its design, the Disability and Communication Access Board will be available to provide technical assistance to the National Association of Home Builders; and
- (3) Making nonsubstantive amendments throughout the measure for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 120, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Green, Herkes and Yamane.

SCRep. 1374-08 Health on H.R. No. 7

The purpose of this resolution is to develop and implement an awareness campaign for the general public on the effects of brain aneurysms and steps that can be taken to provide for detection and treatment; Your Committee had circulated a proposed draft for this resolution which promotes awareness of chronic kidney disease which affects more than 156,000 Hawaii residents by commemorating March 13, as World Kidney Day and the month of March as Kidney Awareness Month in the State of Hawaii.

The National Kidney Foundation and St. Francis Healthcare System of Hawaii support the proposed resolution.

Your Committee amended this resolution by replacing the contents and adding provisions to promote chronic kidney disease awareness. The title of this resolution now reads "A RESOLUTION TO COMMEMORATE MARCH 13 AS WORLD KIDNEY DAY AND THE MONTH OF MARCH AS KIDNEY AWARENESS MONTH IN THE STATE OF HAWAII".

Your Committee would like to commend the National Kidney Foundation, St. Francis Healthcare Systems, and the Clinical Laboratories of Hawaii for their outstanding efforts in improving the quality of life for those living with kidney disease.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 7, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 7, H.D. 1.

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

SCRep. 1375-08 Health on H.C.R. No. 6

The purpose of this concurrent resolution is to develop and implement an awareness campaign for the general public on the effects of brain aneurysms and steps that can be taken to provide for detection and treatment; Your Committee had circulated a proposed draft for this concurrent resolution which promotes awareness of chronic kidney disease which affects more than 156,000 Hawaii residents by commemorating March 13, as World Kidney Day and the month of March as Kidney Awareness Month in the State of Hawaii.

The National Kidney Foundation and St. Francis Healthcare System of Hawaii support the proposed concurrent resolution.

Your Committee amended this concurrent resolution by replacing the contents and adding provisions to promote chronic kidney disease awareness. The title of this concurrent resolution now reads "A RESOLUTION TO COMMEMORATE MARCH 13 AS WORLD KIDNEY DAY AND THE MONTH OF MARCH AS KIDNEY AWARENESS MONTH IN THE STATE OF HAWAII".

Your Committee would like to commend the National Kidney Foundation, St. Francis Healthcare Systems, and the Clinical Laboratories of Hawaii for their outstanding efforts in improving the quality of life for those living with kidney disease.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 6, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 6, H.D. 1.

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

SCRep. 1376-08 Consumer Protection & Commerce/Health on H.C.R. No. 15

The purpose of this resolution is to request the Auditor to conduct an impact assessment report, studying the social and financial impacts of mandating coverage for hearing aids for Medicaid, policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans.

The Disability and Communication Access Board, Kaiser Permanente and two concerned individuals supported the intent of this measure.

Based on testimony and subsequent discussion, your Committee amended this measure to include other matters for the Auditor to address in an impact assessment report to include the following:

- Identify the number of residents in Hawaii in the target population who are deaf, hard of hearing, and deaf-blind, based on the national prevalence rates;
- A survey of other states in the U.S. which have implemented a mandate for hearing aids or cochlear implant;
- Research public and private entities that provide coverage for hearing aids to determine what is currently being used as a standard for frequency of replacement, as well as cost limitations of the coverage benefit. This research should examine whether different standards are applied to adults and children;
- Examine current medically necessary standards of care used to determine what type of hearing aid best suits an individual with hearing loss. Examine existing and possible future technology;
- Compare the cost and utilization of cochlear implants to hearing aid devices.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 15, 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. 15, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Green, Herkes, Souki and Tokioka.

SCRep. 1377-08 Human Services & Housing on H.C.R. No. 174

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to convene a task force and establish a pilot project to address the needs of native Hawaiian children in child custody proceedings.

The Office of Hawaiian Affairs, Na Kupuna Tribunal, and Legacy Coalition testified in support of this concurrent resolution. DHS supported the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING NA KUPUNA O WAIANAE TO CONVENE A TASK FORCE TO ADDRESS THE NEEDS OF NATIVE HAWAIIAN CHILDREN IN CHILD CUSTODY PROCEEDINGS";
- (2) Replacing DHS with Na Kupuna O Waianae as the convenor of the task force;
- (3) Having the task force examine the feasibility of DHS conducting a pilot project, instead of having DHS conduct a pilot project;
- (4) Extending the time period of the task force by one year and requesting an interim report no later than 20 days prior to the convening of the Regular Session of 2009 and a final report no later than 20 days prior to the convening of the Regular Session of 2010;
- (5) Sending a certified copy of the concurrent resolution to Na Kupuna O Waianae; 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 concurs with the intent and purpose of H.C.R. No. 174, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.C.R. No. 174, H.D. 1.

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

SCRep. 1378-08 Labor & Public Employment on H.R. No. 67

The purpose of this resolution is to request that the Department of Accounting and General Services (DAGS) conduct a study on its current payroll system and human resources systems. The purpose of this study would be to evaluate how the DAGS payroll system could better accommodate the needs of a 21st century government and lessen or diminish lag times.

The Hawaii Government Employees Association and DAGS are in support of this resolution. DAGS has stated that lag times can be caused by untimely or incorrect information from departments, not just outdated systems, but is still willing to conduct a study on how the payroll system can be improved.

Your Committee heard testimony that DAGS would like definitions of the specific personnel systems improvement that the bill seeks. Upon further reflection, your Committee has amended this measure by:

- (1) Removing "and human resources systems" from the text on line 8, thus focusing the study on payroll.

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. 67, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 67, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1379-08 Labor & Public Employment on H.C.R. No. 83

The purpose of this resolution is to request that the Department of Accounting and General Services (DAGS) conduct a study on its current payroll system and human resources systems. The purpose of this study would be to evaluate how the DAGS payroll system could better accommodate the needs of a 21st century government and lessen or diminish lag times.

The Hawaii Government Employees Association and DAGS are in support of this resolution. DAGS has stated that lag times can be caused by untimely or incorrect information from departments, not just outdated systems, but is still willing to conduct a study on how the payroll system can be improved.

Your Committee heard testimony that DAGS would like definitions of the specific personnel systems improvement that the bill seeks. Upon further reflection, your Committee has amended this measure by:

- (1) Removing "and human resources systems" from the text on line 8, thus focusing the study on payroll.

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. 83, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 83, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1380-08 Labor & Public Employment on H.R. No. 133

The purpose of this bill is to acknowledge the wage disparity gap between men and women that still exists 45 years after the Equal Pay Act of 1963. The latest statistics from the census bureau show that females, on average, earn only 77% of what males earn. The fourth Tuesday of April is significant as it represents the day that a female would have to work until to equal her male counterparts' pay of the previous year.

Equal Pay Day has been established and recognized by numerous states including Illinois and Michigan and through a proclamation by former Governor Cayetano in the year 2000.

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. 133 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1381-08 Labor & Public Employment on H.C.R. No. 160

The purpose of this bill is to acknowledge the wage disparity gap between men and women that still exists 45 years after the Equal Pay Act of 1963. The latest statistics from the census bureau show that females, on average, earn only 77% of what males earn. The fourth Tuesday of April is significant as it represents the day that a female would have to work until to equal her male counterparts' pay of the previous year.

Equal Pay Day has been established and recognized by numerous states including Illinois and Michigan and through a proclamation by former Governor Cayetano in the year 2000.

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. 160 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1382-08 International Affairs on H.R. No. 154

The purpose of this resolution is to urge the United States Congress to amend the definition of "Amerasians" in the Amerasian Immigration Act of 1982, to include the Philippines in the list of Asian countries where children fathered by United States citizens between 1950 and October 22, 1982, may be eligible for preferential admissions treatment.

Your Committee received written testimony offering comments indicating that the legacy of the Amerasian experience is so pervasive that it has affected popular culture and led to a number of films and plays reflecting the challenges which face Amerasians left behind, including the popular play "Miss Saigon" which spoke of the "Bu Doi" children ("the dust of life") and even "Braddock: Missing In Action III" a 1988 film starring Chuck Norris and others which portrayed many Amerasian children being left behind in Vietnam after the Fall in Saigon.

Your Committee finds that the unique emotional, social, economic, and spiritual challenges faced by the descendants of American fathers left behind in places such as the Philippines and others represents a significant concern which may transcend generations and therefore, amendment of the Amerasian Immigration Act of 1982 merits special and further consideration. As Herman Melville writes, "A thousand fibers connect us with our fellow men." Your Committee finds that reconnecting Amerasians will serve to strengthen those fibers which have been stretched yet ultimately remain tenuously intact by the separation of American fathers from their children.

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. 154 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1383-08 International Affairs on H.C.R. No. 181

The purpose of this concurrent resolution is to urge the United States Congress to amend the definition of "Amerasians" in the Amerasian Immigration Act of 1982, to include the Philippines in the list of Asian countries where children fathered by United States citizens between 1950 and October 22, 1982, may be eligible for preferential admissions treatment.

Your Committee received written testimony offering comments indicating that the legacy of the Amerasian experience is so pervasive that it has affected popular culture and led to a number of films and plays reflecting the challenges which face Amerasians left behind, including the popular play "Miss Saigon" which spoke of the "Bu Doi" children ("the dust of life") and even "Braddock: Missing In Action III" a 1988 film starring Chuck Norris and others which portrayed many Amerasian children being left behind in Vietnam after the Fall in Saigon.

Your Committee finds that the unique emotional, social, economic, and spiritual challenges faced by the descendants of American fathers left behind in places such as the Philippines and others represents a significant concern which may transcend generations and therefore, amendment of the Amerasian Immigration Act of 1982 merits special and further consideration. As Herman Melville writes, "A thousand fibers connect us with our fellow men." Your Committee finds that reconnecting Amerasians will serve to strengthen those fibers which have been stretched yet ultimately remain tenuously intact by the separation of American fathers from their children.

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. 181 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1384-08 Human Services & Housing on H.R. No. 107

The purpose of this resolution is to request the Auditor to examine upcoming condominium leasehold expirations and their impact on the availability of placement and affordable housing for Hawaii residents.

The Office of Hawaiian Affairs, Hawaii Independent Condominium and Cooperative Owners, Hawaii Council of Associations of Apartment Owners, Monarch Properties, Inc., and numerous concerned individuals supported 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. 107 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1385-08 Human Services & Housing on H.C.R. No. 125

The purpose of this concurrent resolution is to request the Auditor to examine upcoming condominium leasehold expirations and their impact on the availability of placement and affordable housing for Hawaii residents.

The Office of Hawaiian Affairs, Hawaii Independent Condominium and Cooperative Owners, Hawaii Council of Associations of Apartment Owners, Monarch Properties, Inc., and numerous concerned individuals supported this 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. 125 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1386-08 Human Services & Housing on H.C.R. No. 172

The purpose of this concurrent resolution is to request the Auditor to conduct a management and financial audit of the Hawaii Public Housing Authority's (HPHA) Punchbowl Homes facility.

The Office of Hawaiian Affairs and a concerned individual supported this concurrent resolution. HPHA 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. 172 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1387-08 Human Services & Housing on H.C.R. No. 150

The purpose of this measure is to request the Legislative Reference Bureau to report on the feasibility of establishing a comprehensive center serving deaf and hard of hearing individuals to coordinate and improve their employment options through the Hawaii Vocational Rehabilitation Services for the Blind Division of the Department of Human Services.

This measure further requests the Legislative Reference Bureau to research model centers in other states and to:

- (1) Define services to be delivered by a comprehensive state facility providing vocational rehabilitation services for individuals who are deaf and hard of hearing;
- (2) Identify the potential population of deaf and hard of hearing individuals in Hawaii who may benefit from the provision of such services;
- (3) Determine the feasibility of establishing such a center in Hawaii, including estimated costs;

- (4) Consult with various agencies familiar with serving the target population; and
- (5) Recommend legislation to establish such a center to the Legislature for the Regular Session of 2009.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board and the Deaf Hard of Hearing Advisory Board. The Department of Human Services and one individual submitted comments in support of the intent of the measure. The Legislative Reference Bureau offered comments.

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

- (1) Requesting the Legislative Reference Bureau to study the "establishment" rather than the "feasibility" of establishing the center. This also requires modifying the title of the measure;
- (2) Requesting the Legislative Reference Bureau to "suggest" rather than "define" prospective services to be provided in the center;
- (3) Requesting the Legislative Reference Bureaus to roughly estimate the costs of establishing such a center in Hawaii and survey similar start-up and operating costs of centers in other states, rather than determining the feasibility of establishing the center, including estimated costs; and
- (4) Requesting the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services, rather than the Legislative Reference Bureau, to identify the potential population of deaf and hard of hearing individuals in Hawaii who may benefit from the services of a comprehensive center.

Your Committee notes that these changes will make this measure identical to Senate Concurrent Resolution No. 37, S.D. 1, on the same subject.

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. 150, 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. 150, H.D. 1.

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

SCRep. 1388-08 Transportation on H.R. No. 98

The purpose of this resolution is to request the Department of Design and Construction of the City and County of Honolulu to conduct a study on the repairing and repaving of surface streets along Farrington Highway in Leeward Oahu.

Kanani Kaaiawahia Bulawan testified in support of 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. 98 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1389-08 Transportation on H.C.R. No. 115

The purpose of this concurrent resolution is to request the Department of Design and Construction of the City and County of Honolulu to conduct a study on the repairing and repaving of surface streets along Farrington Highway in Leeward Oahu.

Kanani Kaaiawahia Bulawan testified in support of 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.C.R. No. 115 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1390-08 Transportation on H.R. No. 190

The purpose of this resolution is to request the Honolulu Department of Transportation Services, in conjunction with the Honolulu Design and Construction Department and the State Department of Transportation, to study the feasibility of realigning Hakimo road at the Junction with Farrington Highway.

Kanani Kaaiawahia Bulawan submitted testimony in support of 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. 190 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1391-08 Transportation on H.C.R. No. 223

The purpose of this concurrent resolution is to request the Honolulu Department of Transportation Services, in conjunction with the Honolulu Design and Construction Department and the State Department of Transportation, to study the feasibility of realigning Hakimo road at the Junction with Farrington Highway.

Kanani Kaaiawahia Bulawan submitted testimony in support of 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. 223 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1392-08 Transportation on H.R. No. 191

The purpose of this resolution is to request the Department of transportation to review and update prior studies relating to the identification and feasibility of an alternate route into and out of the Waianae Coast on Oahu.

The Department of Transportation and a concerned individual supported the intent of 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. 191 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1393-08 Transportation on H.C.R. No. 224

The purpose of this concurrent resolution is to request the Department of Transportation to review and update prior studies relating to the identification and feasibility of an alternate route into and out of the Waianae Coast on Oahu.

The Department of Transportation and a concerned individual supported the intent of 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. 224 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1394-08 Transportation on H.R. No. 145

The purpose of this resolution is to request the Insurance Commissioner to study the advantages and disadvantages of adopting the English Marine Insurance Act, 1906.

The Department of Commerce and Consumer Affairs testified in opposition to this resolution. Howard G. McPherson offered comments 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.R. No. 145 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1395-08 Transportation on H.C.R. No. 171

The purpose of this concurrent resolution is to request the Insurance Commissioner to study the advantages and disadvantages of adopting the English Marine Insurance Act, 1906.

The Department of Commerce and Consumer Affairs testified in opposition to this concurrent resolution. Howard G. McPherson offered comments 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. 171 and recommends that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1396-08 Health/Education on H.R. No. 192

The purpose of this resolution is to ensure continued quality special education services in Hawaii's public school system by requesting the Department of Health (DOH), in coordination with the Department of Education (DOE), to provide a comprehensive report of post Felix v. Cayetano Consent Decree child and adolescent mental health services and funding.

DOH, DOE, and the Special Education Advisory Council supported this resolution. A concerned individual supported the intent of this measure.

Your Committees have amended this resolution by:

- (1) Deleting language requesting DOH and DOE to consider the development of a quality assurance process, including community advocates and paid staff to provide progress reports; 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 Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 192, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 192, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Berg, Chang, Saiki, Takai, Wakai and Ching.

SCRep. 1397-08 Health/Education on H.C.R. No. 225

The purpose of this concurrent resolution is to ensure continued quality special education services in Hawaii's public school system by requesting the Department of Health (DOH), in coordination with the Department of Education (DOE), to provide a comprehensive report of post Felix v. Cayetano Consent Decree child and adolescent mental health services and funding.

DOH, DOE, and the Special Education Advisory Council supported this concurrent resolution. A concerned individual supported the intent of this measure.

Your Committees have amended this concurrent resolution by:

- (1) Deleting language requesting DOH and DOE to consider the development of a quality assurance process, including community advocates and paid staff to provide progress reports; 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 Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 225, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 225, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Berg, Chang, Saiki, Takai, Wakai and Ching.

SCRep. 1398-08 Education/Transportation on H.C.R. No. 59

The purpose of this measure is to request to the Department of Education (DOE) to conduct a study evaluate the State of Hawaii Driver Education Program and its funding mechanism.

The Keiki Injury Prevention Coalition testified in strong support of this measure. DOE commented that they will be willing to collaborate with the Department of Transportation (DOT) and prepare the reports if this resolution is adopted.

Your Committees amended this measure by:

- (1) Transferring the responsibility of the study to the Board of Education (BOE) as they are the appropriate authority in the matter of driver education.
- (2) Changing the title to reflect the change to reflect the content of the resolution.
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Transportation that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 59, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 59, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Evans, Har, Nakasone, Saiki, Sonson, Wakai, Ching and Finnegan.

SCRep. 1399-08 Education on H.R. No. 62

The purpose of this measure is to urge the Department of Education (DOE) to only purchase or lease large school buses that have an operable seat belt assembly at all designated seating positions and have seat backs that are at least twenty-four inches in height to ensure the safety of our school children.

Numerous concerned individuals testified in strong support of the measure. DOE testified in opposition to the resolution.

Your Committee has amended the measure by:

- (1) Transferring the responsibility to the Board of Education as they are the appropriate authority in the matter.
- (2) Changing the title to reflect the change to the content of the resolution.
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 62, H.D. 1.

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

SCRep. 1400-08 Education on H.C.R. No. 71

The purpose of this measure is to urge the Department of Education (DOE) to only purchase or lease large school buses that have an operable seat belt assembly at all designated seating positions and have seat backs that are at least twenty-four inches in height to ensure the safety of our school children.

Numerous concerned individuals testified in strong support of the measure. DOE testified in opposition to the resolution.

Your Committee has amended the measure by:

- (1) Transferring the responsibility to the Board of Education as they are the appropriate authority in the matter.
- (2) Changing the title to reflect the change to the content of the resolution.
- (3) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 71, H.D. 1.

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

SCRep. 1401-08 Education on H.R. No. 104

The purpose of this measure is to request the Department of Education (DOE) to develop a plan to provide current public school administrators and faculty with courses in Hawaiian language and culture instruction, and to incorporate these courses into the Department's preferences for employment and conditions for teacher licensure.

The Office of Hawaiian Affairs (OHA), Kamehameha Schools, Dr. Jonathan Osorio of the Kamakakuokalani Center for Hawaiian Studies at the University of Hawaii, and several concerned individuals testified in support of the measure. DOE testified in opposition to the measure.

Your Committee has amended the measure by:

- (1) Transferring the responsibility to the Board of Education (BOE) as they are the appropriate authority in the matter.
- (2) Adding language to clarify the appropriate institutions responsible for assisting the BOE in implementing the plan.
- (3) Changing the title to reflect the change to the content of the resolution.
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs in the form attached hereto as H.R. No. 104, H.D. 1.

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

SCRep. 1402-08 Education on H.C.R. No. 122

The purpose of this measure is to request the Department of Education (DOE) to develop a plan to provide current public school administrators and faculty with courses in Hawaiian language and culture instruction, and to incorporate these courses into the Department's preferences for employment and conditions for teacher licensure.

The Office of Hawaiian Affairs (OHA), Kamehameha Schools, Dr. Jonathan Osorio of the Kamakakuokalani Center for Hawaiian Studies at the University of Hawaii, and several concerned individuals testified in support of the measure. DOE testified in opposition to the measure.

Your Committee has amended the measure by:

- (1) Transferring the responsibility to the Board of Education (BOE) as they are the appropriate authority in the matter.
- (2) Adding language to clarify the appropriate institutions responsible for assisting the BOE in implementing the plan.
- (3) Changing the title to reflect the change to the content of the resolution.
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122, as amended herein, and recommends that it be referred to the Committee on Water, Land, Ocean Resources & Hawaiian Affairs in the form attached hereto as H.C.R. No. 122, H.D. 1.

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

SCRep. 1403-08 Public Safety & Military Affairs on H.R. No. 118

The purpose of this measure is to request the Department of Accounting and General Services and the Department of Public Safety to maintain and protect the Korean and Vietnam Memorial.

Your Committee received testimony in support of the intent of this measure from the Department of Defense, Office of Veterans' Services, and the Department of Accounting and General Services.

Your Committee finds that the Department of Accounting and General Services has already taken action to maintain the Korean and Vietnam Memorial and the surrounding area. Your Committee commends the Department for its actions and encourages the Department to maintain its efforts.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1404-08 Public Safety & Military Affairs on H.C.R. No. 137

The purpose of this measure is to request the Department of Accounting and General Services and the Department of Public Safety to maintain and protect the Korean and Vietnam Memorial.

Your Committee received testimony in support of the intent of this measure from the Department of Defense, Office of Veterans' Services, and the Department of Accounting and General Services.

Your Committee finds that the Department of Accounting and General Services has already taken action to maintain the Korean and Vietnam Memorial and the surrounding area. Your Committee commends the Department for its actions and encourages the Department to maintain its efforts.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1405-08 Public Safety & Military Affairs/Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 72

The purpose of this concurrent resolution is to help diminish the likelihood and severity of losses caused by catastrophic disasters by requesting that the Governor designate an agency to develop a statewide land use strategy to lessen potential damage caused by catastrophic disasters.

The Department of Defense supported this concurrent resolution.

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. 72 and recommend that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Sagum, Saiki, Souki and Takumi.

SCRep. 1406-08 Public Safety & Military Affairs on H.R. No. 209

The purpose of this measure is to request the United States Congress to enact legislation to waive the requirement that a single state agency administer funds under the Homeland Security Grant Program.

This measure also requests the United States Congress to provide state legislatures with authority to approve the allocation of funds under the Homeland Security Grant Program.

Testimony in support of this measure was offered by the Office of the Sergeant at Arms of the House of Representatives.

Your Committee finds that the requirement that a single state agency control the application and allocation of funds under the Homeland Security Grant Program is misplaced because it grants considerable discretion to one state agency for the allocation of funds. This permits no oversight by the state legislature which, as the policy making branch of government, traditionally determines how financial resources should be allocated.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1407-08 Public Safety & Military Affairs on H.C.R. No. 247

The purpose of this measure is to request the United States Congress to enact legislation to waive the requirement that a single state agency administer funds under the Homeland Security Grant Program.

This measure also requests the United States Congress to provide state legislatures with authority to approve the allocation of funds under the Homeland Security Grant Program.

Testimony in support of this measure was offered by the Office of the Sergeant at Arms of the House of Representatives.

Your Committee finds that the requirement that a single state agency control the application and allocation of funds under the Homeland Security Grant Program is misplaced because it grants considerable discretion to one state agency for the allocation of funds. This permits no oversight by the state legislature which, as the policy making branch of government, traditionally determines how financial resources should be allocated.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1408-08 Public Safety & Military Affairs on H.R. No. 178

The purpose of this resolution is to request that the United Services Organization Hawaii, work in conjunction with all involved military parties, to review the inadequacies of the USO lounge, located at Honolulu International Airport, so that necessary upgrades can be made.

Your committee finds that the USO lounge that is located at Honolulu International Airport is unbecoming of the heroic accomplishments of the brave men and women of the armed services. The lounge is behind many of the other USO lounges located throughout the United States, in terms of its size, appearance, and infrastructure. Immediate improvements would be a way for the State of Hawaii to show its appreciation and gratitude for all that the Military has done for the citizens of the United States.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1409-08 Public Safety & Military Affairs on H.C.R. No. 210

The purpose of this resolution is to request that the United Services Organization Hawaii, work in conjunction with all involved military parties, to review the inadequacies of the USO lounge, located at Honolulu International Airport, so that necessary upgrades can be made.

Your committee finds that the USO lounge that is located at Honolulu International Airport is unbecoming of the heroic accomplishments of the brave men and women of the armed services. The lounge is behind many of the other USO lounges located throughout the United States, in terms of its size, appearance, and infrastructure. Immediate improvements would be a way for the State of Hawaii to show its appreciation and gratitude for all that the Military has done for the citizens of the United States.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1410-08 Public Safety & Military Affairs on H.R. No. 297

The purpose of this resolution is to request the Maui County Civil Defense Agency, to develop a plan so that the many one way roads and bridges that exist on Maui will still be accessible in the event of a catastrophic disaster.

Your committee finds that developing a plan to keep the one way roads and bridges that are located on Maui, vital and necessary to ensure the well being of the Maui residents. These roads will provide necessary evacuation routes as well as a means to transport supplies and goods for relief efforts and the loss of these roads could prove to be highly disastrous.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1411-08 Public Safety & Military Affairs on H.C.R. No. 361

The purpose of this resolution is to request the Maui County Civil Defense Agency, to develop a plan so that the many one way roads and bridges that exist on Maui will still be accessible in the event of a catastrophic disaster.

Your committee finds that developing a plan to keep the one way roads and bridges that are located on Maui, vital and necessary to ensure the well being of the Maui residents. These roads will provide necessary evacuation routes as well as a means to transport supplies and goods for relief efforts and the loss of these roads could prove to be highly disastrous.

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

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1412-08 Transportation on H.R. No. 28

The purpose of this resolution is to request the City and County of Honolulu to conduct a feasibility study to address major concerns along Kalihi Street.

The Kalihi Valley Neighborhood Board No 16, Don Aguilar, Lance Bateman, Connie Wickware, Pua Auyong White, Amy Agbayani, Andrew White, Pascua Dabis, David Gustafson, Amefil Agbayani, Edgar Fernandez and Alice Nakama submitted testimonies in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 28 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1413-08 Transportation on H.C.R. No. 28

The purpose of this concurrent resolution is to request the City and County of Honolulu to conduct a feasibility study to address major concerns along Kalihi Street.

Kalihi Valley Neighborhood Board No. 16, Lance Bateman, Connie Wickware, Pua Auyong White, Amy Agbayani, Andrew White, Pascual Dabis, David Gustafson, Amefil Agbayani, Edgar Fernandez and Alice Nakama submitted testimonies in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 28 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1414-08 Transportation on H.R. No. 73

The purpose of this resolution is to request the City and County of Honolulu to conduct a feasibility study for the repair and repaving of side streets along Kalihi Street.

Testimonies in support of this measure were submitted by Connie Wickware, Pua Auyong White, Amy Agbayani, Andrew White, Pascual Dabis, David Gustafan, Amefil Agbayani, Alice Nakama and Josephine Besario.

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. 73 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1415-08 Transportation on H.C.R. No. 91

The purpose of this concurrent resolution is to request the City and County of Honolulu to conduct a feasibility study for the repair and repaving of side street along Kalihi Street.

Testimonies in support of this measure were submitted by Connie Wickware, Pua Auyong White, Amy Agbayani, Andrew White, Pascual Dabis, David Gustafan, Amefil Agbayani, Alice Nakama, and Josephine Besario.

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 its adoption.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1416-08 Education on H.R. No. 108

The purpose of this measure is to request the Department of Education (DOE) to conduct a study on the feasibility of establishing an anger management program modeled after substance abuse programs to provide students who commit acts of violence or harassment at their school with the tools they need to change their behavior.

DOE testified that they support the intent of the measure. Several concerned students from Kohala High School and Paauilo Elementary and Intermediate School testified in support of the resolution.

Your Committee has amended the measure by:

- (1) Transferring the responsibility to the Board of Education (BOE) as they are the appropriate authority in the matter.
- (2) Changing the request from conducting a feasibility study to establish an anger management program modeling after a substance abuse program to a request to establish an anger management and rehabilitation program.
- (3) Changing the title to reflect the change to the content of the resolution.
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

Your Committee would like to note that in the DOE testimony, it was suggested that the parameter of the study should be expanded to include an exploration of the dimensions of student behavior; proactive, evidence-based interventions; and supports that will have a broader, positive impact on student behavior. Furthermore, your Committee would like to suggest that perhaps student organization involvement and consultation with the civic education working group will be beneficial in the development of a effective anger management and rehabilitation program.

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. 108, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 108, H.D. 1.

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

SCRep. 1417-08 Education on H.C.R. No. 126

The purpose of this measure is to request the Department of Education (DOE) to conduct a study on the feasibility of establishing an anger management program modeled after substance abuse programs to provide students who commit acts of violence or harassment at their school with the tools they need to change their behavior.

DOE testified that they support the intent of the measure. Several concerned students from Kohala High School and Paauilo Elementary and Intermediate School testified in support of the resolution.

Your Committee has amended the measure by:

- (1) Transferring the responsibility to the Board of Education (BOE) as they are the appropriate authority in the matter.
- (2) Changing the request from conducting a feasibility study to establish an anger management program modeling after a substance abuse program to a request to establish an anger management and rehabilitation program.
- (3) Changing the title to reflect the change to the content of the resolution.
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

Your Committee would like to note that in the DOE testimony, it was suggested that the parameter of the study should be expanded to include an exploration of the dimensions of student behavior; proactive, evidence-based interventions; and supports that will have a broader, positive impact on student behavior. Furthermore, your Committee would like to suggest that perhaps student organization involvement and consultation with the civic education working group will be beneficial in the development of a effective anger management and rehabilitation program.

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. 126, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 126, H.D. 1.

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

SCRep. 1418-08 Public Safety & Military Affairs on H.R. No. 19

The purpose of this measure is to urge the United States Congress to enact legislation to exempt children of Filipino World War II veterans from immigrant visa limits and grant them priority issuance of visas.

Your Committee received testimony in support of this measure from the World War II Fil-Am Veterans, Hawaii Chapter and two individuals.

Your Committee finds that the passage by the United States Congress of H.R. 1287, the Filipino Veterans Family Reunification Act, will exempt married and unmarried sons and daughters of Filipino veterans who became naturalized United States citizens due to military service during World War II from the numerical limitations on immigrant visas.

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. 19 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1419-08 Public Safety & Military Affairs on H.C.R. No. 19

The purpose of this measure is to urge the United States Congress to enact legislation to exempt children of Filipino World War II veterans from immigrant visa limits and grant them priority issuance of visas.

Your Committee received testimony in support of this measure from the World War II Fil-Am Veterans, Hawaii Chapter and two individuals.

Your Committee finds that the passage by the United States Congress of H.R. 1287, the Filipino Veterans Family Reunification Act, will exempt married and unmarried sons and daughters of Filipino veterans who became naturalized United States citizens due to military service during World War II from the numerical limitations on immigrant visas.

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. 19 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1420-08 Public Safety & Military Affairs on H.R. No. 71

The purpose of this measure is to urge the passage of legislation to confer priority status to children born to Department of Defense personnel and foreign women during and up to nine months after deployment in order to facilitate and expedite the immigration of these children and women to the United States.

Your Committee finds that the passage of this federal legislation, by conferring citizenship status to children born to Department of Defense personnel during or up to nine months after deployment in a foreign country would not only facilitate the father's expression of responsibility to the child by shortening the process by which both the child and the mother may enter the United States, but would also help restore the ethical standing of the United States by enabling its overseas military representatives to assume proper responsibility for their actions when they leave a foreign country.

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. 71 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1421-08 Public Safety & Military Affairs on H.C.R. No. 87

The purpose of this measure is to urge the passage of legislation to confer priority status to children born to Department of Defense personnel and foreign women during and up to nine months after deployment in order to facilitate and expedite the immigration of these children and women to the United States.

Your Committee finds that the passage of this federal legislation, by conferring citizenship status to children born to Department of Defense personnel during or up to nine months after deployment in a foreign country would not only facilitate the father's expression of responsibility to the child by shortening the process by which both the child and the mother may enter the United States, but would also help restore the ethical standing of the United States by enabling its overseas military representatives to assume proper responsibility for their actions when they leave a foreign country.

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. 87 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1422-08 Public Safety & Military Affairs on H.R. No. 97

The purpose of this measure is to request the Civil Defense Division of the Department of Defense to study the feasibility of using the United States Navy facilities at Lualualei Naval Magazine to provide emergency shelter for civilians.

Specifically, this measure requests the Civil Defense Division to examine:

- (1) Any necessary agreements between the State and the United States Navy;
- (2) The sufficiency and capacity of the Lualualei Naval Magazine facilities to provide emergency shelter;
- (3) Logistical challenges to making all or part of the facilities available to civilians for use during an emergency;
- (4) Any costs involved; and
- (5) Any other pertinent issues.

Testimony in support of this measure was submitted by the Department of Human Services and a resident of the Waianae Coast. The Department of Defense submitted comments on this measure.

Your Committee finds that providing adequate emergency shelter space for Hawaii's residents and visitors should be a priority for the State. The Waianae Coast of Oahu is home to approximately sixty thousand residents, who have only one major roadway into and out of the area. Previous emergencies caused by traffic accidents, strong winds, and other circumstances have brought traffic to a stand still on the leeward coast, causing hardship to residents who live or work in the area. A feasibility study on using the nearby Lualualei Naval Magazine facilities as an emergency shelter may expand the available options for protecting area residents during an emergency or natural disaster.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 97 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1423-08 Public Safety & Military Affairs on H.C.R. No. 114

The purpose of this measure is to request the Civil Defense Division of the Department of Defense to study the feasibility of using the United States Navy facilities at Lualualei Naval Magazine to provide emergency shelter for civilians.

Specifically, this measure requests the Civil Defense Division to examine:

- (1) Any necessary agreements between the State and the United States Navy;
- (2) The sufficiency and capacity of the Lualualei Naval Magazine facilities to provide emergency shelter;
- (3) Logistical challenges to making all or part of the facilities available to civilians for use during an emergency;
- (4) Any costs involved; and
- (5) Any other pertinent issues.

Testimony in support of this measure was submitted by the Department of Human Services and a resident of the Waianae Coast. The Department of Defense submitted comments on this measure.

Your Committee finds that providing adequate emergency shelter space for Hawaii's residents and visitors should be a priority for the State. The Waianae Coast of Oahu is home to approximately sixty thousand residents, who have only one major roadway into and out of the area. Previous emergencies caused by traffic accidents, strong winds, and other circumstances have brought traffic to a stand still on the leeward coast, causing hardship to residents who live or work in the area. A feasibility study on using the nearby Lualualei Naval Magazine facilities as an emergency shelter may expand the available options for protecting area residents during an emergency or natural disaster.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 114 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1424-08 Public Safety & Military Affairs on H.R. No. 163

The purpose of this resolution is to request the United States Navy to clear out the invasive plant species and excessive foliage that has been growing at a rapid pace in the lower Waipahu area.

Your committee received testimony in support of this resolution from three concerned citizens.

Your committee feels that this resolution brings up a key issue for the Waipahu neighborhood. Invasive and excessive plant growth has been ruining the lower Waipahu area, resulting in a loss of aesthetic beauty and the allowance of illegal activities to take place in the area. Asking the United States Navy, under their jurisdiction, is an effective way to combat the problem that will only worsen and spread if not addressed.

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. 163 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1425-08 Public Safety & Military Affairs on H.C.R. No. 194

The purpose of this resolution is to request the United States Navy to clear out the invasive plant species and excessive foliage that has been growing at a rapid pace in the lower Waipahu area.

Your committee received testimony in support of this resolution from three concerned citizens.

Your committee feels that this resolution brings up a key issue for the Waipahu neighborhood. Invasive and excessive plant growth has been ruining the lower Waipahu area, resulting in a loss of aesthetic beauty and the allowance of illegal activities to take place in the area. Asking the United States Navy, under their jurisdiction, is an effective way to combat the problem that will only worsen and spread if not addressed.

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. 194 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1426-08 Public Safety & Military Affairs on H.R. No. 88

The purpose of this resolution is to improve health conditions in state correctional facilities by urging the Department of Public Safety (PSD) and Department of Human Services (DHS) to institute a complete ban on smoking in all state correctional facilities.

The Coalition for a Tobacco-Free Hawaii supported this resolution.

Your Committee has amended this resolution by:

- (1) Urging PSD and DHS to develop a plan to ban smoking in state correctional facilities by 2011;
- (2) Requesting PSD and DHS to submit a report to the Legislature prior to the 2009 Regular Session outlining the plan; 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 concurs with the intent and purpose of H.R. No. 88, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 88, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1427-08 Public Safety & Military Affairs on H.C.R. No. 106

The purpose of this concurrent resolution is to improve health conditions in state correctional facilities by urging the Department of Public Safety (PSD) and Department of Human Services (DHS) to institute a complete ban on smoking in all state correctional facilities.

The Coalition for a Tobacco-Free Hawaii supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Urging PSD and DHS to develop a plan to ban smoking in state correctional facilities by 2011;
- (2) Requesting PSD and DHS to submit a report to the Legislature prior to the 2009 Regular Session outlining the plan; 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 concurs with the intent and purpose of H.C.R. No. 106, as amended herein, and recommends 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 Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1428-08 Public Safety & Military Affairs on S.C.R. No. 47

The purpose of the measure is to respectfully request the United States Postal Service to authorize production of a First Class stamp commemorating the honorable service of the F-14 Tomcat in defending freedom.

Testimony in support of the measure was received from the F-14 Tomcat Association and eleven private citizens, including several former F-14 Tomcat Plane Captains.

Your Committee wishes to recognize the exemplary service by the United States Navy's F-14 Tomcat fighter aircraft, a technological marvel that was in continuous active service from the height of the Cold War until its retirement in 2006. During its thirty-five years of service, the F-14 became an icon of American ingenuity and a symbol of America's resolve to protect and perpetuate freedom.

Your Committee further wishes to thank the men and women involved in the development, maintenance, and operation of the F-14 Tomcat for helping to keep America free throughout the Cold War. The issuance of a commemorative stamp will help to preserve the legacy of the F-14 Tomcat, to honor the men and women who were a part of it, and to remind future generations of the sacrifices that were made for freedom.

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. 47, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1429-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 1035

The purpose of this bill is to perpetuate the ancient wisdom of land conservation, abundance, unity, and peace of the Makahiki season by designating November 20th of each year as Makahiki Commemoration Day.

The Office of Hawaiian Affairs supported this bill 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. 1035, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1430-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 2441

The purpose of this bill is to expedite highway projects by exempting state highway projects that involve acquisitions from county subdivision ordinances.

The Department of Transportation supported this bill. The City and County of Honolulu, Department of Planning and Permitting 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 S.B. No. 2441, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1431-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 2849

The purpose of this bill is to allow the use of agricultural lands:

- (1) For agricultural-energy facilities, provided that the primary activity of the agricultural-energy enterprise is agricultural activity; and
- (2) To provide affordable rental housing to agricultural workers and agricultural support buildings to agricultural business operators and support services by using or rehabilitating existing structures on plantation community subdivisions.

The Department of Agriculture and Hawaii Farm Bureau Federation supported this bill. G&R Ag-Energy supported the intent of this measure. The Hawaii Agriculture Research Center supported this bill with amendments. The Office of Planning and City and County of Honolulu, Department of Planning and Permitting provided comments.

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. 2849, S.D. 1, H.D. 1, and recommend that it pass Third Reading.

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

SCRep. 1432-08 Health on H.R. No. 119

The purpose of this resolution is to improve access to medical care statewide by requesting the Department of Health (DOH) to form a task force to explore the feasibility of further implementation of Hawaii's telemedicine system for the greater benefit of the people of the state.

The University of Hawaii's John A. Burns School of Medicine (JABSOM), Hawaii Health Systems Corporation, Hawaii Primary Care Association, American Telemedicine Association, Hawaii Pacific Health, and several concerned individuals supported this resolution. DOH supported the intent of this measure. The Hawaii Psychiatric Medical Association supported this resolution with amendments. The Hawaii Medical Service Association and a concerned individual submitted comments.

Your Committee has amended this resolution by:

- (1) Requesting JABSOM's Telehealth Research Institute to form a task force to explore the feasibility of further implementation of the Hawaii's telemedicine system;
- (2) Expanding the task force to include the input from a broader consortium of health care organizations;
- (3) Requesting the task force to look further into issues brought to light by the November 15, 2007, Hawaii Telehealth Collaborative Symposium; and
- (4) Amending its title to read: "REQUESTING THE UNIVERSITY OF HAWAII JOHN A. BURNS SCHOOL OF MEDICINE'S TELEHEALTH RESEARCH INSTITUTE TO FORM A TASK FORCE TO REVIEW THE POTENTIAL EXPANSION OF THE CURRENT PRACTICES AND EQUIPMENT OF HAWAII'S TELEMEDICINE SYSTEM"; 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 concurs with the intent and purpose of H.R. No. 119, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 119, H.D. 1.

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

SCRep. 1433-08 Health on H.C.R. No. 138

The purpose of this concurrent resolution is to improve access to medical care statewide by requesting the Department of Health (DOH) to form a task force to explore the feasibility of further implementation of Hawaii's telemedicine system for the greater benefit of the people of the state.

The University of Hawaii's John A. Burns School of Medicine (JABSOM), Hawaii Health Systems Corporation, Hawaii Primary Care Association, American Telemedicine Association, Hawaii Pacific Health, and several concerned individuals supported this concurrent resolution. DOH supported the intent of this measure. The Hawaii Psychiatric Medical Association supported this concurrent resolution with amendments. The Hawaii Medical Service Association and a concerned individual submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting JABSOM's Telehealth Research Institute to form a task force to explore the feasibility of further implementation of the Hawaii's telemedicine system;
- (2) Expanding the task force to include the input from a broader consortium of health care organizations;
- (3) Requesting the task force to look further into issues brought to light by the November 15, 2007, Hawaii Telehealth Collaborative Symposium; and
- (4) Amending its title to read: "REQUESTING THE UNIVERSITY OF HAWAII JOHN A. BURNS SCHOOL OF MEDICINE'S TELEHEALTH RESEARCH INSTITUTE TO FORM A TASK FORCE TO REVIEW THE POTENTIAL EXPANSION OF THE CURRENT PRACTICES AND EQUIPMENT OF HAWAII'S TELEMEDICINE SYSTEM"; 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 concurs with the intent and purpose of H.C.R. No. 138, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 138, H.D. 1.

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

SCRep. 1434-08 Public Safety & Military Affairs/Consumer Protection & Commerce on H.R. No. 298

The purpose of this resolution is to ease the burden of skyrocketing real property tax rates which have gone beyond the means of some residential property owners who may be in jeopardy of losing their property by requesting that the counties consider establishing real property tax hardship exemptions to assist residential property taxpayers.

The City and County of Honolulu's Department of Budget and Fiscal Services opposed this resolution.

Your Committees find that the rapid increase of property taxes has created financial difficulties for many people statewide. These difficulties are exacerbated when natural or man-made disasters occur and cause damages to homes that are not fully covered by insurance or other financial aids. In such situations, people already stretched to the limit by the current property tax rates may be in jeopardy of losing their homes when unable to pay for the necessary repairs and the taxes.

Accordingly, your Committees have amended this resolution by amending its title to read: REQUESTING THE COUNTIES TO CONSIDER ESTABLISHING REAL PROPERTY TAX HARDSHIP EXEMPTIONS TO ASSIST RESIDENTIAL PROPERTY TAXPAYERS IN JEOPARDY OF LOSING THEIR PROPERTY DUE TO COSTS ASSOCIATED WITH RECOVERING FROM NATURAL OR MAN-MADE DISASTERS.

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 Public Safety & Military Affairs and Consumer Protection & Commerce that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 298, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 298, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki, Takumi and Yamane.

SCRep. 1435-08 Public Safety & Military Affairs/Consumer Protection & Commerce on H.C.R. No. 362

The purpose of this concurrent resolution is to ease the burden of skyrocketing real property tax rates which have gone beyond the means of some residential property owners who may be in jeopardy of losing their property by requesting that the counties consider establishing real property tax hardship exemptions to assist residential property taxpayers.

The City and County of Honolulu's Department of Budget and Fiscal Services opposed this concurrent resolution.

Your Committees find that the rapid increase of property taxes has created financial difficulties for many people statewide. These difficulties are exacerbated when natural or man-made disasters occur and cause damages to homes that are not fully covered by insurance or other financial aids. In such situations, people already stretched to the limit by the current property tax rates may be in jeopardy of losing their homes when unable to pay for the necessary repairs and the taxes.

Accordingly, your Committees have amended this concurrent resolution by amending its title to read: REQUESTING THE COUNTIES TO CONSIDER ESTABLISHING REAL PROPERTY TAX HARDSHIP EXEMPTIONS TO ASSIST RESIDENTIAL PROPERTY TAXPAYERS IN JEOPARDY OF LOSING THEIR PROPERTY DUE TO COSTS ASSOCIATED WITH RECOVERING FROM NATURAL OR MAN-MADE DISASTERS.

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 Public Safety & Military Affairs and Consumer Protection & Commerce that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 362, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 362, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki, Takumi and Yamane.

SCRep. 1436-08 Public Safety & Military Affairs on H.R. No. 269

The purpose of this resolution is to ensure the safety of our kupuna and disabled in times of emergency by requesting that the University of Hawaii Natural Disaster Preparedness Training Center (NDPTC) include in its work program a component that addresses the needs of Hawaii's at-risk elderly and persons with disabilities.

The Disability and Communication Access Board and a concerned individual supported this resolution. The University of Hawaii's Department of Urban and Regional Planning and a concerned individual submitted comments.

Your Committee has amended this resolution by:

- (1) Clarifying NDPTC role as a training center;

- (2) Requesting NDPTC to work with the Joint Legislative Committee on Family Care Giving, Kupuna Caucus, and other interested organizations and persons to develop disaster preparedness programs emphasizing at-risk communities;
- (3) Changing its title to read: "REQUESTING HAWAII'S NATURAL DISASTER PREPAREDUCATIONESS TRAINING CENTER TO WORK WITH THE JOINTERNATIONAL AFFAIRS LEGISLATIVE COMMITTEE ON FAMILY CARE GIVING, KUPUNA CAUCUS, AND OTHER INTERNATIONAL AFFAIRSERESTED ORGANIZATIONS AND PERSONS TO DEVELOP PROGRAMS EMPHASIZING AT-RISK COMMUNITIES"; 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 concurs with the intent and purpose of H.R. No. 269, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 269, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1437-08 Public Safety & Military Affairs on H.C.R. No. 325

The purpose of this concurrent resolution is to ensure the safety of our kupuna and disabled in times of emergency by requesting that the University of Hawaii Natural Disaster Preparedness Training Center (NDPTC) include in its work program a component that addresses the needs of Hawaii's at-risk elderly and persons with disabilities.

The Disability and Communication Access Board and a concerned individual supported this concurrent resolution. The University of Hawaii's Department of Urban and Regional Planning and a concerned individual submitted comments.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying NDPTC role as a training center;
- (2) Requesting NDPTC to work with the Joint Legislative Committee on Family Care Giving, Kupuna Caucus, and other interested organizations and persons to develop disaster preparedness programs emphasizing at-risk communities;
- (3) Changing its title to read: "REQUESTING HAWAII'S NATURAL DISASTER PREPAREDUCATIONESS TRAINING CENTER TO WORK WITH THE JOINTERNATIONAL AFFAIRS LEGISLATIVE COMMITTEE ON FAMILY CARE GIVING, KUPUNA CAUCUS, AND OTHER INTERNATIONAL AFFAIRSERESTED ORGANIZATIONS AND PERSONS TO DEVELOP PROGRAMS EMPHASIZING AT-RISK COMMUNITIES"; 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 concurs with the intent and purpose of H.C.R. No. 325, 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. 325, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1438-08 Transportation on H.R. No. 252

The purpose of this resolution is to encourage alternative modes of transportation, particularly bicycling and walking, through comprehensive planning by urging the Department of Transportation (DOT) to adopt a "Complete Streets" policy.

The Hawaii Bicycling League, Maui Bicycle Alliance, and several concerned individuals testified in support of this measure. DOT supported the intent of this measure.

Decreased traffic congestion, improved environmental conditions, and increased health and wellness are some of the benefits a community may experience by adopting alternative modes of transportation, such as bicycling and walking. However, to accommodate all modes of transportation and access for all users, including motorists, bicyclists, pedestrians, and transit riders, adequate planning is necessary during all phases of roadway development. "Complete Streets" policies are intended to look at all transportation options and plan for their implementation accordingly so as to avoid costly infrastructure retrofitting in the future.

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

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1439-08 Transportation on H.C.R. No. 302

The purpose of this concurrent resolution is to encourage alternative modes of transportation, particularly bicycling and walking, through comprehensive planning by urging the Department of Transportation (DOT) to adopt a "Complete Streets" policy.

The Hawaii Bicycling League, Maui Bicycle Alliance, and several concerned individuals testified in support of this measure. DOT supported the intent of this measure.

Decreased traffic congestion, improved environmental conditions, and increased health and wellness are some of the benefits a community may experience by adopting alternative modes of transportation, such as bicycling and walking. However, to accommodate all modes of transportation and access for all users, including motorists, bicyclists, pedestrians, and transit riders, adequate planning is necessary during all phases of roadway development. "Complete Streets" policies are intended to look at all transportation options and plan for their implementation accordingly so as to avoid costly infrastructure retrofitting in the future.

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

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1440-08 Transportation on H.C.R. No. 306

The purpose of this concurrent resolution is to protect efficient and affordable transport between islands by establishing a temporary Hawaii Sustainable Interisland Transportation Task Force (Task Force).

The Nature Conservancy, Hawaii Farm Bureau Federation, and a concerned individual testified in support of the measure. The Hawaii Harbor Users Group supported the concurrent resolution with amendments. The Department of Transportation opposed the measure.

Hawaii is unique in that it is the only island state in the nation and modes of transportation between islands are limited. Maintaining a sustainable interisland transportation system is necessary for the benefit of all of Hawaii's residents.

Your Committee has amended this measure by:

- (1) Requesting the Task Force to take into consideration, and work in consistency with, the Hawaii State Plan, specifically section 226-17, Hawaii Revised Statutes, in conducting its work; and
- (2) Including, in the Task Force's scope of work, that the Task Force ensure:
 - (A) That the flow of commerce is not impeded; and
 - (B) The economic feasibility for a sustainable, multi-modal, inter-island transportation system.

Other 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. 306, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 306, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1441-08 Economic Development & Business Concerns/Agriculture on H.R. No. 293

The purpose of this resolution is to assist Hawaii farmers by requiring the Department of Agriculture to author a plan to repair, upgrade, and optimize the use of the Kula Vacuum Cooling Plant in Upcountry Maui.

The Maui County Farm Bureau supported the intent of this measure. The Department of Agriculture offered comments.

Your Committees find that the Kula Vacuum Cooling Plant could potentially provide great assistance to Hawaii's farmers by offering a means to preserve agricultural products for shipping to other islands, states, or countries. However, the facility has fallen into a state of disrepair and is underutilized. Restoration of this facility to an optimized operational status will provide farmers in Upcountry Maui with an invaluable resource.

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 concur with the intent and purpose of H.R. No. 293 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Ching and Meyer.

SCRep. 1442-08 Economic Development & Business Concerns/Agriculture on H.C.R. No. 356

The purpose of this concurrent resolution is to assist Hawaii farmers by requiring the Department of Agriculture to author a plan to repair, upgrade, and optimize the use of the Kula Vacuum Cooling Plant in Upcountry Maui.

The Maui County Farm Bureau supported the intent of this measure. The Department of Agriculture offered comments.

Your Committees find that the Kula Vacuum Cooling Plant could potentially provide great assistance to Hawaii's farmers by offering a means to preserve agricultural products for shipping to other islands, states, or countries. However, the facility has fallen into a state of

disrepair and is underutilized. Restoration of this facility to an optimized operational status will provide farmers in Upcountry Maui with an invaluable resource.

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 concur with the intent and purpose of H.C.R. No. 356 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Manahan, Ching and Meyer.

SCRep. 1443-08 Economic Development & Business Concerns/Agriculture on H.R. No. 294

The purpose of this resolution is to help Hawaii's farmers compete in the global economy by directing the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR) to report to the Legislature on the feasibility of constructing multipurpose agricultural processing facilities to produce value-added agricultural products.

The Hawaii Farm Bureau Federation and the Dean of UH-CTAHR testified in support of this measure.

Hawaii currently lacks the facilities to process raw agricultural crops into value-added products, forcing farmers to send their products to the mainland for processing, or discouraging farmers from venturing into the value-added market. Your Committees believe that a processing facility located in Hawaii would have the potential to substantially increase the contribution of diversified agriculture to our State's economy, and merits further study and development.

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 concur with the intent and purpose of H. R. No. 294 and recommend that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Manahan, Ching and Meyer.

SCRep. 1444-08 Economic Development & Business Concerns/Agriculture on H.C.R. No. 357

The purpose of this concurrent resolution is to help Hawaii's farmers compete in the global economy by directing the University of Hawaii College of Tropical Agriculture and Human Resources (UH-CTAHR) to report to the Legislature on the feasibility of constructing multipurpose agricultural processing facilities to produce value-added agricultural products.

The Hawaii Farm Bureau Federation and the Dean of UH-CTAHR testified in support of this measure.

Hawaii currently lacks the facilities to process raw agricultural crops into value-added products, forcing farmers to send their products to the mainland for processing, or discouraging farmers from venturing into the value-added market. Your Committees believe that a processing facility located in Hawaii would have the potential to substantially increase the contribution of diversified agriculture to our State's economy, and merits further study and development.

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 concur with the intent and purpose of H.C.R. No. 357 and recommend that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Manahan, Ching and Meyer.

SCRep. 1445-08 International Affairs on H.R. No. 85

The purpose of this resolution is to authorize the Governor and request actions to be taken to establish a state-province affiliation with the Province of Negros Oriental in the Republic of the Philippines.

The Cebuano Association of Hawaii and several concerned individuals supported 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. 85 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1446-08 International Affairs on H.C.R. No. 103

The purpose of this concurrent resolution is to authorize the Governor and request actions to be taken to establish a state-province affiliation with the Province of Negros Oriental in the Republic of the Philippines.

The Cebuano Association of Hawaii and several concerned individuals supported 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. 103 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1447-08 International Affairs on H.R. No. 86

The purpose of this resolution is to urge the President, Secretary of State, and Secretary of Homeland Security to include the Republic of Korea in the Visa Waiver Program.

The Department of Business, Economic Development, and Tourism, Korean Visa Waiver Committee, U.S.-Korea Business Council, and American Chamber of Commerce in Korea supported 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. 86 and recommends that it be referred to the Committee on Tourism & Culture.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1448-08 International Affairs on H.C.R. No. 104

The purpose of this concurrent resolution is to urge the President, Secretary of State, and Secretary of Homeland Security to include the Republic of Korea in the Visa Waiver Program.

The Department of Business, Economic Development, and Tourism, Korean Visa Waiver Committee, U.S.-Korea Business Council, and American Chamber of Commerce in Korea supported 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. 104 and recommends that it be referred to the Committee on Tourism & Culture.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1449-08 International Affairs on H.R. No. 96

The purpose of this resolution is to request the establishment of a relationship between the State of Hawaii and the islands of Polynesia.

Kamehameha Schools, Council for Native Hawaiian Advancement, Waianae Community Outreach, and several concerned individuals supported this resolution.

Your Committee has amended this resolution by:

- (1) Requesting that certified copies of this resolution be sent to the leaders of the nations in Polynesia; and
- (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 concurs with the intent and purpose of H.R. No. 96, as amended herein, and recommends that it be referred to the Committee on Tourism & Culture in the form attached hereto as H.R. No. 96, H.D. 1.

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

SCRep. 1450-08 International Affairs on H.C.R. No. 113

The purpose of this concurrent resolution is to request the establishment of a relationship between the State of Hawaii and the islands of Polynesia.

Kamehameha Schools, Council for Native Hawaiian Advancement, Waianae Community Outreach, and several concerned individuals supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that certified copies of this concurrent resolution be sent to the leaders of the nations in Polynesia; and
- (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 concurs with the intent and purpose of H.C.R. No. 113, 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. 113, H.D. 1.

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

SCRep. 1451-08 Agriculture/Public Safety & Military Affairs on H.R. No. 221

The purpose of this resolution is to request the Department of Agriculture (DOA), in collaboration with the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo (UH-CAFNRM) and Hawaii Community College (HCC), to conduct a study on the pilot programs developed by Kulani Correctional Facility (KCF) that would aid in the revitalization of state agriculture and provide workforce training and reentry opportunities for KCF inmates.

UH-CAFNRM supported this measure. DOA supported the intent of this measure.

Your Committees note that concerns were raised regarding the costs of the study and the pilot programs, and the availability of funds to meet these costs. Approximately \$350,000 is needed to meet these costs. Your Committees support future legislative efforts to address this concern.

In addition, the students at UH-CAFNRM and HCC provide a potentially valuable resource to aid in the study, as well as the programs. Your Committees encourage UHH-CAFNRM and HCC to consider ways to involve the students in the study and the programs.

Your Committees have amended this measure by:

- (1) Making UH-CAFNRM the lead agency requested for the study, with the collaborative efforts of DOA and HCC to assist UH-CAFNRM, and changing the measure's title to reflect this amendment;
- (2) Clarifying that the pilot programs may include a multicultural, multiethnic component that may provide support in helping the inmates better adjust to society;
- (3) Requesting DOA to explore alternative sources of funding, including federal funds from agencies such as the United States Department of Agriculture, that may be available to meet the costs of the study, as well as the pilot programs;
- (4) Extending the deadline for the requested report on the study to 20 days prior to the 2010 Regular Session; 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 Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 221, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 221, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, Luke, Manahan, Nakasone, Nishimoto, Souki, Takumi, Yamane and Ching.

SCRep. 1452-08 Agriculture/Public Safety & Military Affairs on H.C.R. No. 260

The purpose of this concurrent resolution is to request the Department of Agriculture (DOA), in collaboration with the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo (UH-CAFNRM) and Hawaii Community College (HCC), to conduct a study on the pilot programs developed by Kulani Correctional Facility (KCF) that would aid in the revitalization of state agriculture and provide workforce training and reentry opportunities for KCF inmates.

UH-CAFNRM supported this measure. DOA supported the intent of this measure.

Your Committees note that concerns were raised regarding the costs of the study and the pilot programs, and the availability of funds to meet these costs. Approximately \$350,000 is needed to meet these costs. Your Committees support future legislative efforts to address this concern.

In addition, the students at UH-CAFNRM and HCC provide a potentially valuable resource to aid in the study, as well as the programs. Your Committees encourage UHH-CAFNRM and HCC to consider ways to involve the students in the study and the programs.

Your Committees have amended this measure by:

- (1) Making UH-CAFNRM the lead agency requested for the study, with the collaborative efforts of DOA and HCC to assist UH-CAFNRM, and changing the measure's title to reflect this amendment;
- (2) Clarifying that the pilot programs may include a multicultural, multiethnic component that may provide support in helping the inmates better adjust to society;
- (3) Requesting DOA to explore alternative sources of funding, including federal funds from agencies such as the United States Department of Agriculture, that may be available to meet the costs of the study, as well as the pilot programs;
- (4) Extending the deadline for the requested report on the study to 20 days prior to the 2010 Regular Session; 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 Public Safety & Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 260, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 260, H.D. 1.

Signed by all members of the Committee except Representatives Har, Herkes, Luke, Manahan, Nakasone, Nishimoto, Souki, Takumi, Yamane and Ching.

SCRep. 1453-08 Health/Human Services & Housing on H.R. No. 158

The purpose of this resolution is to ensure that all first responders are able to identify children who may be victims or who are at risk for abuse in order to be prepared to set the proper protective protocols in motion by calling on the Department of Human Services to convene a task force to establish a protocol and training program for first responders in child protective awareness skills.

A concerned individual submitted testimony in support of this resolution. The Department of Human Services supports the intent of 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. 158 and recommend that it be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1454-08 Health/Human Services & Housing on H.C.R. No. 188

The purpose of this concurrent resolution is to ensure that all first responders are able to identify children who may be victims or who are at risk for abuse in order to be prepared to set the proper protective protocols in motion by calling on the Department of Human Services to convene a task force to establish a protocol and training program for first responders in child protective awareness skills.

A concerned individual submitted testimony in support of this concurrent resolution. The Department of Human Services supports the intent of 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. 188 and recommend that it be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1455-08 Energy & Environmental Protection on H.C.R. No. 76

The purpose of this concurrent resolution is to achieve Hawaii's goal of energy independence by requesting the Natural Energy Laboratory of Hawaii Authority (NELHA) to:

- (1) Create a business plan to transition itself into a business, technology, and research park powered by renewable energy;
- (2) Establish a task force to review its governing documents and recommend amendments that will assist it to make the transition into a business, technology, and research park powered by renewable energy;
- (3) Develop a plan, including a timeline, to fully transition its facilities to renewable energy;
- (4) Develop a strategy to create and implement a Green Energy Zone at NELHA facilities by 2012; and
- (5) Submit a report of its findings and recommendation, including proposed legislation, to the Legislature no later than 20 days before the convening of the 2009 Regular Session.

NELHA testified in support of this concurrent resolution.

Your Committee finds that NELHA, while producing no energy, consumes a tremendous amount of electricity to deliver seawater to about 30 companies. Your Committee also finds that NELHA is ideally suited to transition to a business, technology, and research park powered by renewable energy. Among other considerations, NELHA has access to deep ocean waters bathymetry and the highest solar insolation in the coastal United States. It is also ideally located near an international airport and the University of Hawaii Center, West Hawaii campus will be in close proximity. Further, NELHA is classified as a foreign trade and enterprise zone.

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

Signed by all members of the Committee except Representatives Karamatsu, Sagum and Saiki.

SCRep. 1456-08 Energy & Environmental Protection on H.R. No. 198

The purpose of this resolution is to protect Hawaii's fragile environment and promote the use of alternative energy by supporting the use of tax incentives to encourage the use of alternative energy sources.

Two concerned individuals testified in support of this measure. The Hawaii Renewable Energy Alliance supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting language stipulating that tax incentives can be used to increase the use of renewable energy resources and what these tax incentives can be used for;
- (2) Deleting language specifying what types of alternative energy sources exist and what processes may be used to harness energy from these alternative sources;
- (3) Inserting language stating that federal wind and solar tax incentives are set to expire on December 31, 2008;
- (4) Inserting language stating that the Legislature supports the continuation of the federal wind and solar tax credits for a period of at least five years;
- (5) Amending the list of individuals to whom certified copies of this resolution shall be transmitted; and
- (6) Amending its title to read: "SUPPORTING FEDERAL TAX INCENTIVES TO ENCOURAGE THE USE OF RENEWABLE ENERGY SOURCES."

Other technical, nonsubstantive amendments were 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. 198, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 198, H.D. 1.

Signed by all members of the Committee except Representatives Karamatsu, Sagum and Saiki.

SCRep. 1457-08 Energy & Environmental Protection on H.C.R. No. 235

The purpose of this concurrent resolution is to protect Hawaii's fragile environment and promote the use of alternative energy by supporting the use of tax incentives to encourage the use of alternative energy sources.

Two concerned individuals testified in support of this measure. The Hawaii Renewable Energy Alliance supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Deleting language stipulating that tax incentives can be used to increase the use of renewable energy resources and what these tax incentives can be used for;
- (2) Deleting language specifying what types of alternative energy sources exist and what processes may be used to harness energy from these alternative sources;
- (3) Inserting language stating that federal wind and solar tax incentives are set to expire on December 31, 2008;
- (4) Inserting language stating that the Legislature supports the continuation of the federal wind and solar tax credits for a period of at least five years;
- (5) Amending the list of individuals to whom certified copies of this concurrent resolution shall be transmitted; and
- (6) Amending its title to read: "SUPPORTING FEDERAL TAX INCENTIVES TO ENCOURAGE THE USE OF RENEWABLE ENERGY SOURCES."

Other technical, nonsubstantive amendments were 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. 235, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 235, H.D. 1.

Signed by all members of the Committee except Representatives Karamatsu, Sagum and Saiki.

SCRep. 1458-08 Economic Development & Business Concerns on H.C.R. No. 167

The purpose of this concurrent resolution is to instruct the Auditor to conduct a financial audit of the Natural Energy Laboratory of Hawaii Authority (NELHA).

The Hawaii Aquaculture Association, Keahole Point Association, Royal Hawaiian Sea Farms, Inc., Pacific Planktonics, and a concerned individual testified in support of this measure.

Your Committee finds that tenants of NELHA have been paying less than the actual cost to NELHA, of delivering deep sea water to its tenants. In addition, there seems to be a conflict between NELHA and its tenants over the actual cost of pumping deep sea water to the surface. By conducting an audit of NELHA, the real costs of NELHA's operations can be determined, and a reasonable rate structure, developed and charged.

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. 167 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1459-08 Economic Development & Business Concerns on H.R. No. 205

The purpose of this resolution is to protect small, independent inventors and technology companies by urging Hawaii's congressional delegation to oppose the Patent Reform Act.

The Hawaii Science and Technology Council supported this resolution.

Your Committee finds that S. 1145, the Patent Reform Act of 2007, is currently before the United States Congress and has the potential to diminish current patent law protections, threaten jobs, and damage Hawaii's emerging innovation and high technology sectors.

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. 205 and recommends that it be referred to the Committee on Judiciary.

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

SCRep. 1460-08 Human Services & Housing/Health on H.R. No. 100

The purpose of this resolution is to urge associations of apartment owners (AOAOs) and condominium unit owners' associations (CUOAs) in the state to develop emergency and evacuation plans for residents, including provisions for seniors and residents with special health needs.

The Honolulu Fire Department, Disability and Communication Access Board, Policy Advisory Board for Elder Affairs, and a concerned individual supported this resolution. The Real Estate Commission (REC) provided comments.

The REC noted some administrative concerns with regard to transmitting copies of this resolution to its approximately 1,500 registered boards. Your Committees note that the intent of this measure is for the REC to send copies to boards that are registered with them. Additionally, your Committees understand REC's financial concerns and emphasize that its intent is for REC to send copies of this resolution to as many AOAOs and CUOAs as possible with the funding available within its budget.

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. 100 and recommend that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1461-08 Human Services & Housing/Health on H.C.R. No. 118

The purpose of this concurrent resolution is to urge associations of apartment owners (AOAOs) and condominium unit owners' associations (CUOAs) in the state to develop emergency and evacuation plans for residents, including provisions for seniors and residents with special health needs.

The Honolulu Fire Department, Disability and Communication Access Board, Policy Advisory Board for Elder Affairs, and a concerned individual supported this concurrent resolution. The Real Estate Commission (REC) provided comments.

The REC noted some administrative concerns with regard to transmitting copies of this concurrent resolution to its approximately 1,500 registered boards. Your Committees note that the intent of this measure is for the REC to send copies to boards that are registered with them. Additionally, your Committees understand REC's financial concerns and emphasize that its intent is for REC to send copies of this concurrent resolution to as many AOAOs and CUOAs as possible with the funding available within its budget.

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. 118 and recommend that it be referred to the Committee on Consumer Protection & Commerce.

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

SCRep. 1462-08 Human Services & Housing on H.C.R. No. 149

The purpose of this concurrent resolution is to urge the Hawaii Public Housing Authority (HPHA) to issue a request for proposals (RFP) to form a public/private partnership to renovate the State's public housing inventory.

The Office of Hawaiian Affairs supported this concurrent resolution with an amendment. HPHA provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Extending the target date to commence renovation of the first housing project from the end of 2008 to the end of 2009;
- (2) Extending the date for HPHA to submit requests for legislation or resources to the Legislature from 20 days prior to the convening of the Regular Session of 2009 to 20 days prior to the convening of the Regular Session of 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 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 Ward.

SCRep. 1463-08 Public Safety & Military Affairs on H.R. No. 126

The purpose of this resolution is to increase the chances of surviving a house fire by supporting the installation and proper use of smoke detectors in every Hawaii home by 2010.

A concerned individual supported this resolution. The Honolulu Fire Department supported the intent of this measure.

Your Committee finds that the chances of surviving a house fire are greatly improved if smoke detectors are properly installed and maintained in a home. However, many of our senior citizens have great difficulty maintaining a smoke detector. Therefore, your Committee has amended this resolution by:

- (1) Requesting that local fire departments and the Hawaii State Fire Council make every effort to develop an outreach program with senior citizen-focused organizations to educate people about the need for our senior citizens to be safeguarded with a smoke detector properly installed and maintained in their home;
- (2) Urging Hawaii's fire departments and senior citizen advocate groups and organizations to designate a day during Fire Prevention Week, which occurs every October, as "Fire Safe Senior Day," for the purpose of educating the public about the need for these life-saving devices; 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 concurs with the intent and purpose of H.R. No. 126, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 126, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1464-08 Public Safety & Military Affairs on H.C.R. No. 147

The purpose of this concurrent resolution is to increase the chances of surviving a house fire by supporting the installation and proper use of smoke detectors in every Hawaii home by 2010.

A concerned individual supported this concurrent resolution. The Honolulu Fire Department supported the intent of this measure.

Your Committee finds that the chances of surviving a house fire are greatly improved if smoke detectors are properly installed and maintained in a home. However, many of our senior citizens have great difficulty maintaining a smoke detector. Therefore, your Committee has amended this concurrent resolution by:

- (1) Requesting that local fire departments and the Hawaii State Fire Council make every effort to develop an outreach program with senior citizen-focused organizations to educate people about the need for our senior citizens to be safeguarded with a smoke detector properly installed and maintained in their home;
- (2) Urging Hawaii's fire departments and senior citizen advocate groups and organizations to designate a day during Fire Prevention Week, which occurs every October, as "Fire Safe Senior Day," for the purpose of educating the public about the need for these life-saving devices; 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 concurs with the intent and purpose of H.C.R. No. 147, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 147, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1465-08 Transportation on H.R. No. 250

The purpose of this resolution is to protect the health and safety of Hawaii's residents, especially those who walk or bicycle, by encouraging the counties to implement the United States Department of Transportation's Design Guidance Document on Integrating Bicycling and Walking when building transportation infrastructure.

The Maui Bicycle Alliance, Hawaii Bicycling League, and a number of concerned individuals testified in support of this measure.

Bicycling and walking provide environmental, traffic, and health benefits to Hawaii's residents. Encouraging this alternative form of transportation through the adoption and implementation of guidelines to make walking and bicycling safer is beneficial to everyone in our state.

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. 250 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1466-08 Transportation on H.C.R. No. 300

The purpose of this concurrent resolution is to protect the health and safety of Hawaii's residents, especially those who walk or bicycle, by encouraging the counties to implement the United States Department of Transportation's Design Guidance Document on Integrating Bicycling and Walking when building transportation infrastructure.

The Maui Bicycle Alliance, Hawaii Bicycling League, and a number of concerned individuals testified in support of this measure.

Bicycling and walking provide environmental, traffic, and health benefits to Hawaii's residents. Encouraging this alternative form of transportation through the adoption and implementation of guidelines to make walking and bicycling safer is beneficial to everyone in our state.

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. 300 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Har, Nakasone and Sonson.

SCRep. 1467-08 Health on H.R. No. 203

The purpose of this resolution is to promote awareness of chronic kidney disease which affects more than 156,000 Hawaii residents by commemorating March 13, as World Kidney Day and the month of March as Kidney Awareness Month in the State of Hawaii; Your Committee had circulated a proposed draft for this resolution which is to develop and implement an awareness campaign for the general public on the effects of brain aneurysms and steps that can be taken to provide for detection and treatment by designating September as "Brain Aneurysm Awareness Month" in Hawaii.

Friends of Michele Higa- Hawaii Brain Aneurysm Foundation and a concerned individual testified in support of the proposed resolution.

Your Committee amended this resolution by replacing the contents and adding provisions to promote brain aneurysm awareness. The title of this resolution now reads "URGING THE GOVERNOR TO DESIGNATE THE MONTH OF SEPTEMBER AS BRAIN ANEURYSM AWARENESS MONTH."

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. 203, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 203, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1468-08 Health on H.C.R. No. 240

The purpose of this concurrent resolution is to promote awareness of chronic kidney disease which affects more than 156,000 Hawaii residents by commemorating March 13, as World Kidney Day and the month of March as Kidney Awareness Month in the State of Hawaii; Your Committee had circulated a proposed draft for this concurrent resolution which is to develop and implement an awareness campaign for the general public on the effects of brain aneurysms and steps that can be taken to provide for detection and treatment by designating September as "Brain Aneurysm Awareness Month" in Hawaii.

Friends of Michele Higa- Hawaii Brain Aneurysm Foundation and a concerned individual testified in support of the proposed concurrent resolution.

Your Committee amended this concurrent resolution by replacing the contents and adding provisions to promote brain aneurysm awareness. The title of this concurrent resolution now reads "URGING THE GOVERNOR TO DESIGNATE THE MONTH OF SEPTEMBER AS BRAIN ANEURYSM AWARENESS MONTH."

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. 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, Tokioka and Ward.

SCRep. 1469-08 Energy & Environmental Protection on H.R. No. 258

The purpose of this resolution is to make more efficient use of our precious fresh water by requesting the counties to use their existing authority to adopt and implement standards for the reuse of residential gray water for subsurface landscape irrigation.

The Department of Health and several individuals testified in support of this resolution.

Gray water is defined as any water from the domestic plumbing system of a residence, except toilets, that is not contaminated with any household hazardous waste. Section 342D-70, Hawaii Revised Statutes, authorizes the counties to implement a gray water recycling program in which gray water is used to irrigate lawns and gardens.

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. 258 and recommends its adoption.

Signed by all members of the Committee except Representatives Karamatsu, Sagum and Saiki.

SCRep. 1470-08 Energy & Environmental Protection on H.C.R. No. 310

The purpose of this concurrent resolution is to make more efficient use of our precious fresh water by requesting the counties to use their existing authority to adopt and implement standards for the reuse of residential gray water for subsurface landscape irrigation.

The Department of Health and several individuals testified in support of this concurrent resolution.

Gray water is defined as any water from the domestic plumbing system of a residence, except toilets, that is not contaminated with any household hazardous waste. Section 342D-70, Hawaii Revised Statutes, authorizes the counties to implement a gray water recycling program in which gray water is used to irrigate lawns and gardens.

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. 310 and recommends its adoption.

Signed by all members of the Committee except Representatives Karamatsu, Sagum and Saiki.

SCRep. 1471-08 Human Services & Housing on H.R. No. 182

The purpose of this resolution is to request the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC) to create a redevelopment master plan for Kukui Gardens and Mayor Wright Homes.

EAH Housing supported this resolution. HHFDC supported the concept of this measure. HPHA supported the intent of this resolution.

Your Committee has amended this resolution by:

- (1) Requesting HPHA and HHFDC to collaborate with Kukui EAH/DGI Associates, L.P., in creating the master 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 Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 182, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 182, H.D. 1.

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

SCRep. 1472-08 Human Services & Housing on H.C.R. No. 215

The purpose of this concurrent resolution is to request the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC) to create a redevelopment master plan for Kukui Gardens and Mayor Wright Homes.

EAH Housing supported this concurrent resolution. HHFDC supported the concept of this measure. HPHA supported the intent of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting HPHA and HHFDC to collaborate with Kukui EAH/DGI Associates, L.P., in creating the master 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 Human Services & Housing 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 Belatti, Bertram, Cabanilla and Ward.

SCRep. 1473-08 Consumer Protection & Commerce on S.B. No. 1809

The purpose of this bill is to increase participation in condominium association affairs by:

- (1) Requiring a special meeting of the unit owners' association to be set within 60 days of receipt of a qualifying petition from the unit owners; and
- (2) Clarifying that if the condominium secretary or managing agent fails to schedule a special meeting requested by the unit owners, the petitioners may set and send out notices and proxies for the special meeting at the association's expense.

The Hawaii Council of Associations of Apartment Owners and Hawaii Independent Condominium and Cooperative Owners testified in support of this bill.

Section 514B-121, Hawaii Revised Statutes, allows condominium owners to request a special meeting of the association of owners if at least 25 percent of the owners make the request. If the board of directors does not schedule the meeting, the owners can hold the meeting themselves. This bill attempts to remove certain obstacles that may interfere with the right of condominium owners to petition for special meetings.

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. 1809 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 Evans, Ito, Morita, Sonson and Souki.

SCRep. 1474-08 Consumer Protection & Commerce/Judiciary on S.B. No. 2402

The purpose of this measure is to amend various sections of volume 11 of the Hawaii Revised Statutes to correct errors and clarify language.

Your Committees received testimony in support of this measure from the Legislative Reference Bureau.

The measure corrects terminology used in various sections of the Hawaii Revised Statutes; adds definitive language to clarify obscure references; updates various sections to reflect current law; and makes numerous stylistic and formatting changes to aid the readability of the statutes.

Your Committees find that all of the statutory amendments proposed by the measure are of a housekeeping nature and are done simply to correct the types of errors noted in the title of this bill.

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. 2402, S.D. 1, 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 Morita, Sonson, Souki and Thielen.

SCRep. 1475-08 Tourism & Culture/Economic Development & Business Concerns on S.B. No. 2434

The purpose of this bill is to improve the appointment process for the Stadium Authority and allow for greater input from the public by:

- (1) Increasing the membership of the Stadium Authority to eleven members, with nine voting members;
- (2) Specifying that of the nine voting members, the Governor shall:
 - (A) Appoint three members directly;

- (B) Appoint three members from a list of nominees submitted by the President of the Senate; and
 - (C) Appoint three members from a list of nominees submitted by the Speaker of the House of Representatives;
- and
- (3) Establishing a schedule for filling future vacancies of the Stadium Authority.

A concerned individual supported this bill. The Department of Accounting and General Services opposed this bill.

Your Committees have amended this measure by:

- (1) Changing its effective date to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on 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. 2434, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2434, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Berg, Chang and Ching. (Representative Marumoto voted no.)

SCRep. 1476-08 Consumer Protection & Commerce on S.B. No. 3027

The purpose of this bill is to bring consistency to the laws governing osteopathic and medical doctors by including osteopathic doctors in the regulation of medical doctors under Chapter 453, Hawaii Revised Statutes (HRS).

The Board of Medical Examiners (Board) and Hawaii Medical Association testified in support of this bill.

The Board currently regulates medical doctors (MDs) through Chapter 453, HRS, and osteopathic doctors (DOs) through Chapter 460, HRS. Both professions share very similar education, training, and licensure requirements, the key difference being the DO's focus on treatment of the body as an integrated whole, with less emphasis on specific symptoms or illnesses. Because the Board considers MDs and DOs to be equivalents in many respects, it attempts to regulate both professions as uniformly as possible. Combining the regulation of both professions into a single statutory chapter promotes this endeavor of the Board.

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. 3027, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Ito, Morita, Sonson and Souki.

SCRep. 1477-08 Economic Development & Business Concerns on S.B. No. 3166

The purpose of this bill is to ensure that the small businesses of the Kakaako Community Development District are properly represented in the Hawaii Community Development Authority (HCDA) by requiring that at least two voting members of the HCDA represent small business.

Numerous Kakaako small business owners and concerned citizens testified in support of this bill.

Your Committee recognizes the importance of small businesses to Hawaii's economy and finds that the needs of small business owners must be considered when planning for community and economic development. This measure will give small business owners a voting voice within HCDA. However, your Committee believes that further discussion of the implementation of this measure may be needed, and has amended this bill by changing 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. 3166, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3166, H.D. 1.

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

SCRep. 1478-08 Tourism & Culture on S.B. No. 2464

The purpose of this bill is to raise public awareness of the endangered Hawaiian monk seal by establishing and designating the Hawaiian monk seal as the official state mammal.

The Office of Hawaiian Affairs, Department of Land and Natural Resources, Hawaii Audubon Society, Kawaihapai Ohana, and numerous concerned individuals supported 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. 2464, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2464, H.D. 1.

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

SCRep. 1479-08 Consumer Protection & Commerce on S.B. No. 2584

The purpose of this bill is to support the honey industry by statutorily recognizing honey as an agricultural commodity for purposes of the Grades and Standards Law.

The Department of Agriculture and Hawaii Farm Bureau Federation supported the intent of this bill. The Hawaii Beekeepers' Association submitted comments.

Your Committee has amended this bill by:

- (1) Having it take effect upon its 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. 2584, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2584, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Ito, Morita, Sonson and Souki.

SCRep. 1480-08 Higher Education on H.R. No. 229

The purpose of this resolution is to request the University of Hawaii at Manoa Green Roof Feasibility Team to recommend incentives that may be established by the State to encourage green roofing.

Testimony in support of this measure was received from the American Society of Landscape Architects (ASLA) Hawaii Chapter, Terrain-NYC, Inc., and several private citizens.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 229, as amended herein, and recommends that it be referred to the Committee on Energy & Environmental Protection in the form attached hereto as H.R. No. 229, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takamine, Takumi and Ching.

SCRep. 1481-08 Higher Education on H.C.R. No. 270

The purpose of this concurrent resolution is to request the University of Hawaii at Manoa Green Roof Feasibility Team to recommend incentives that may be established by the State to encourage green roofing.

Testimony in support of this measure was received from the American Society of Landscape Architects (ASLA) Hawaii Chapter, Terrain-NYC, Inc., and several private citizens.

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

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 270, as amended herein, and recommends that it be referred to the Committee on Energy & Environmental Protection in the form attached hereto as H.C.R. No. 270, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takamine, Takumi and Ching.

SCRep. 1482-08 Higher Education on H.R. No. 235

The purpose of this resolution is to request the Hawaii State Center for Nursing to encourage parties to work together for the common goal of increasing the supply of well-educated and dedicated nurses.

Testimony in support of this measure was received from the University of Hawaii System, Hawaii State Center for Nursing, Hawaii Statewide Nursing Consortium, Leahi Hospital, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, AONE Hawaii Chapter, and numerous concerned individuals.

The State Board of Nursing (Board) supported this measure with an amendment to delete reference to the nursing program at Leeward Community College as it has not been approved by the Board and has not attained national accreditation by the National League for Nursing or the Commission on collegiate Nursing Education.

As such, your Committee has amended this measure to reflect the Board's recommendation.

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. 235, as amended herein, and recommends that it be referred to the Committee on Health in the form attached hereto as H.R. No. 235, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine, Takumi and Ching.

SCRep. 1483-08 Higher Education on H.C.R. No. 277

The purpose of this concurrent resolution is to request the Hawaii State Center for Nursing to encourage parties to work together for the common goal of increasing the supply of well-educated and dedicated nurses.

Testimony in support of this measure was received from the University of Hawaii System, Hawaii State Center for Nursing, Hawaii Statewide Nursing Consortium, Leahi Hospital, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, AONE Hawaii Chapter, and numerous concerned individuals.

The State Board of Nursing (Board) supported this measure with an amendment to delete reference to the nursing program at Leeward Community College as it has not been approved by the Board and has not attained national accreditation by the National League for Nursing or the Commission on collegiate Nursing Education.

As such, your Committee has amended this measure to reflect the Board's recommendation.

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. 277, as amended herein, and recommends that it be referred to the Committee on Health in the form attached hereto as H.C.R. No. 277, H.D. 1.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine, Takumi and Ching.

SCRep. 1484-08 Higher Education on H.C.R. No. 314

The purpose of this concurrent resolution is to urge the University of Hawaii to establish and administer a graduate school loan program for rehabilitative and related services within its Center on Disability Studies.

Testimony in support of this measure was received from the State Council on Developmental Disabilities, AONE Hawaii Chapter, Easter Seals Hawaii, Good Beginnings Alliance, Hawaii Chapter - American Physical Therapy Association, Hawaii Speech-Language-Hearing Association, Imua Family Services, Occupational Therapy Association of Hawaii, Therapeutic Touch of Health, and numerous private citizens.

The University of Hawaii System opposed 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. 314 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takamine, Takumi and Ching.

SCRep. 1485-08 International Affairs on H.R. No. 112

The purpose of this resolution is to request the University of Hawaii (UH) Board of Regents to not place enrollment cap restrictions on graduate applicants for the purposes of increasing international enrollment.

A concerned individual supported this resolution. The UH System and a concerned individual provided comments.

Your Committee notes concerns raised that the needs of local students should be addressed first and foremost. Additionally, UH is currently evaluating enrollment ceilings, and your Committee looks forward to the results of this evaluation.

Your Committee has amended this resolution by:

- (1) Changing its title to read: "RESPECTFULLY REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO REMOVE ENROLLMENT CAP RESTRICTIONS ON STUDENT APPLICANTS FROM NATIONS THAT ENTERED INTERNATIONAL AFFAIRS A COMPACT OF FREE ASSOCIATION WITH THE UNITED STATES";

- (2) Changing the scope of this resolution to focus on removing enrollment cap restrictions on student applicants from nations that entered into a Compact of Free Association with the United States; 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. 112, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 112, H.D. 1.

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

SCRep. 1486-08 International Affairs on H.C.R. No. 130

The purpose of this concurrent resolution is to request the University of Hawaii (UH) Board of Regents to not place enrollment cap restrictions on graduate applicants for the purposes of increasing international enrollment.

A concerned individual supported this concurrent resolution. The UH System and a concerned individual provided comments.

Your Committee notes concerns raised that the needs of local students should be addressed first and foremost. Additionally, UH is currently evaluating enrollment ceilings, and your Committee looks forward to the results of this evaluation.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "RESPECTFULLY REQUESTING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO REMOVE ENROLLMENT CAP RESTRICTIONS ON STUDENT APPLICANTS FROM NATIONS THAT ENTERED INTERNATIONAL AFFAIRS A COMPACT OF FREE ASSOCIATION WITH THE UNITED STATES";
- (2) Changing the scope of this concurrent resolution to focus on removing enrollment cap restrictions on student applicants from nations that entered into a Compact of Free Association with the United States; 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. 130, 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. 130, H.D. 1.

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

SCRep. 1487-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 60

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to:

- (1) Provide an inventory of camping facilities and campsites available statewide; and
- (2) Report on the conditions of, and problems associated with, existing camping facilities and campsites in the state.

A concerned individual testified in support of this concurrent resolution. The Department of Land and Natural Resources opposed this measure.

Your Committee finds that the report requested will be invaluable in determining the measures and resources that are necessary to improve camping facilities in the state.

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

Signed by all members of the Committee except Representative Carroll.

SCRep. 1488-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 258

The purpose of this concurrent resolution is to request the Office of Planning to coordinate the city and state agencies in addressing the overgrowth of vegetation on Kahala Beach.

The Office of Planning supported this concurrent resolution.

Your Committee finds that the issue of induced vegetation growth by landowners on properties adjacent to the beach is one that is seen throughout the state, not just on Kahala Beach. Your Committee hopes that the resolution of the encroaching vegetation issue on Kahala Beach can be adopted as a model for other areas of the state in the future.

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

Signed by all members of the Committee except Representative Carroll.

SCRep. 1489-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 130

The purpose of this resolution is to request the University of Hawaii to draft a five-year strategic plan for a graduate degree program in cultural resource management at the University of Hawaii-Hilo.

The University of Hawaii System and Society for Hawaiian Archaeology supported this resolution.

Your Committee finds that a graduate degree program in cultural resource management at the University of Hawaii-Hilo would increase the resources necessary to strengthen the historic preservation program in our state.

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

Signed by all members of the Committee except Representative Carroll.

SCRep. 1490-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 157

The purpose of this concurrent resolution is to request the University of Hawaii to draft a five-year strategic plan for a graduate degree program in cultural resource management at the University of Hawaii-Hilo.

The University of Hawaii System and Society for Hawaiian Archaeology supported this concurrent resolution.

Your Committee finds that a graduate degree program in cultural resource management at the University of Hawaii-Hilo would increase the resources necessary to strengthen the historic preservation program in our state.

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

Signed by all members of the Committee except Representative Carroll.

SCRep. 1491-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 200

The purpose of this resolution is to request the Department of Land and Natural Resources, with the assistance of the Department of Transportation, to study the feasibility of a private-public partnership to develop a boat marina near Keehi Lagoon.

The Hawaii Boaters Political Action Association and a concerned individual supported this resolution. The Department of Land and Natural Resources 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 concurs with the intent and purpose of H.R. No. 200 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1492-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 237

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources, with the assistance of the Department of Transportation, to study the feasibility of a private-public partnership to develop a boat marina near Keehi Lagoon.

The Hawaii Boaters Political Action Association and a concerned individual supported this concurrent resolution. The Department of Land and Natural Resources 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 concurs with the intent and purpose of H.C.R. No. 237 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1493-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 59

The purpose of this resolution is to request the Board of Land and Natural Resources to lease approximately 13.2 acres of public land near Ke'ehi Lagoon to the Pacific Gateway Center for the purpose of developing the Ke'ehi Community Resource Center.

The Pacific Gateway Center, Oahu Head Start, and a concerned individual supported this resolution. The Department of Land and Natural Resources supported the intent of this measure.

Your Committee finds that the Pacific Gateway Center and Oahu Head Start, currently operating out of dilapidated, deteriorating, and unsafe facilities, helps the community with their services to immigrants, refugees, and low-income residents, and early childhood education services. Approximately 13.2 acres of vacant and unimproved state-owned public land near Ke'ehi Lagoon has been proposed as the location of the Ke'ehi Community Resource Center, which would make the resources provided by both Pacific Gateway Center and Oahu Head Start available at one location. However, your Committee believes the State should be cautious of entering into long-term leases of prime oceanfront state land. Accordingly, your Committee has amended this measure by:

- (1) Amending the title to read: REQUESTING THE BOARD OF LAND AND NATURAL RESOURCES TO ASSIST THE PACIFIC GATEWAY CENTER IN FINDING AN APPROPRIATE LOCATION TO LEASE FOR THE PURPOSE OF DEVELOPING THE KE'EHII COMMUNITY RESOURCE CENTER; and
- (2) Requesting the Board of Land and Natural Resources to help find an appropriate location for the Ke'ehi Community Resource Center to lease, without eliminating the possibility of leasing the Ke'ehi Lagoon location.

Other technical, nonsubstantive amendments were made for clarity, consistency, 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.R. No. 59, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 59, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1494-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 68

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources to lease approximately 13.2 acres of public land near Ke'ehi Lagoon to the Pacific Gateway Center for the purpose of developing the Ke'ehi Community Resource Center.

The Pacific Gateway Center, Oahu Head Start, and a concerned individual supported this concurrent resolution. The Department of Land and Natural Resources supported the intent of this measure.

Your Committee finds that the Pacific Gateway Center and Oahu Head Start, currently operating out of dilapidated, deteriorating, and unsafe facilities, helps the community with their services to immigrants, refugees, and low-income residents, and early childhood education services. Approximately 13.2 acres of vacant and unimproved state-owned public land near Ke'ehi Lagoon has been proposed as the location of the Ke'ehi Community Resource Center, which would make the resources provided by both Pacific Gateway Center and Oahu Head Start available at one location. However, your Committee believes the State should be cautious of entering into long-term leases of prime oceanfront state land. Accordingly, your Committee has amended this measure by:

- (1) Amending the title to read: REQUESTING THE BOARD OF LAND AND NATURAL RESOURCES TO ASSIST THE PACIFIC GATEWAY CENTER IN FINDING AN APPROPRIATE LOCATION TO LEASE FOR THE PURPOSE OF DEVELOPING THE KE'EHII COMMUNITY RESOURCE CENTER; and
- (2) Requesting the Board of Land and Natural Resources to help find an appropriate location for the Ke'ehi Community Resource Center to lease, without eliminating the possibility of leasing the Ke'ehi Lagoon location.

Other technical, nonsubstantive amendments were made for clarity, consistency, 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. 68, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 68, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1495-08 Public Safety & Military Affairs/Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 117

The purpose of this resolution is to develop new methods to strengthen conservation efforts in the state by requesting the Department of Land and Natural Resources (DLNR) and the Department of Public Safety (PSD) to establish an Inmate Conservation Corps Pilot Program (Pilot Program) on the island of Hawaii to perform resource conservation projects.

The Community Alliance on Prisons and a concerned individual supported this resolution. PSD supported the intent of this measure. DLNR opposed this resolution.

Your Committees have amended this resolution by requesting that DLNR and PSD to:

- (1) Develop a plan to establish a Pilot Program;

- (2) Suggest qualifications for participation in the Pilot Program, taking into consideration such factors as security risks, education, and physical fitness;
- (3) Determine estimated staffing and transportation requirements to implement the Pilot Program;
- (4) Establish costs that would be incurred in implementing the Pilot Program, and any grants and subsidies to offset costs, including possible fees for services provided by the Pilot Program; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

Accordingly, your Committees have further amended this resolution by amending its title to read: REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE DEPARTMENT OF PUBLIC SAFETY TO DEVELOP A PLAN TO ESTABLISH A STATEWIDE INMATE CONSERVATION CORPS PILOT PROGRAM.

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. 117, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 117, H.D. 1

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Sagum, Saiki, Souki and Takumi.

SCRep. 1496-08 Public Safety & Military Affairs/Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 136

The purpose of this concurrent resolution is to develop new methods to strengthen conservation efforts in the state by requesting the Department of Land and Natural Resources (DLNR) and the Department of Public Safety (PSD) to establish an Inmate Conservation Corps Pilot Program (Pilot Program) on the island of Hawaii to perform resource conservation projects.

The Community Alliance on Prisons and a concerned individual supported this concurrent resolution. PSD supported the intent of this measure. DLNR opposed this concurrent resolution.

Your Committees have amended this concurrent resolution by requesting that DLNR and PSD to:

- (1) Develop a plan to establish a Pilot Program;
- (2) Suggest qualifications for participation in the Pilot Program, taking into consideration such factors as security risks, education, and physical fitness;
- (3) Determine estimated staffing and transportation requirements to implement the Pilot Program;
- (4) Establish costs that would be incurred in implementing the Pilot Program, and any grants and subsidies to offset costs, including possible fees for services provided by the Pilot Program; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

Accordingly, your Committees have further amended this concurrent resolution by amending its title to read: REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE DEPARTMENT OF PUBLIC SAFETY TO DEVELOP A PLAN TO ESTABLISH A STATEWIDE INMATE CONSERVATION CORPS PILOT PROGRAM.

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. 136, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 136, H.D. 1

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Sagum, Saiki, Souki and Takumi.

SCRep. 1497-08 Consumer Protection & Commerce/Judiciary on H.C.R. No. 288

The purpose of this concurrent resolution is to promote public safety by requesting the State Auditor to conduct a sunrise review of legislation proposing to regulate persons who apprehend bail fugitives.

A concerned individual testified in support of this concurrent resolution.

Persons who apprehend bail fugitives have powers of arrest that may be abused. This concurrent resolution seeks to address this concern by requesting a sunrise review pursuant to section 26H-6, Hawaii Revised Statutes, of pertinent regulatory measures proposed in H.B. Nos. 129 and 1882, 2007.

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. 288 and recommend that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Evans, Herkes, Ito, Morita and Waters.

SCRep. 1498-08 Human Services & Housing on H.R. No. 173

The purpose of this resolution is to request the University of Hawaii (UH) School of Social Work to study the negative effects of the work requirements of the Temporary Assistance for Needy Families (TANF) program.

The Center for Training, Evaluation and Research of the Pacific of the School of Social Work at UH Manoa supported this resolution. The UH School of Social Work supported the intent of this measure. The Department of Human Services did not support this resolution.

Your Committee has amended this resolution by:

- (1) Changing its title to read: "REQUESTING THE UNIVERSITY OF HAWAII SCHOOL OF SOCIAL WORK TO STUDY THE EFFECTS OF THE WORK REQUIREMENTS OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM";
- (2) Changing the focus of the resolution to study the effects of TANF work requirements in general, rather than focusing on only the negative effects;
- (3) Extending the study by one year and requiring an interim report prior to the convening of the Regular Session of 2009 and a final report prior to the convening of the Regular Session of 2010; 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. 173, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 173, H.D. 1.

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

SCRep. 1499-08 Human Services & Housing on H.C.R. No. 205

The purpose of this concurrent resolution is to request the University of Hawaii (UH) School of Social Work to study the negative effects of the work requirements of the Temporary Assistance for Needy Families (TANF) program.

The Center for Training, Evaluation and Research of the Pacific of the School of Social Work at UH Manoa supported this concurrent resolution. The UH School of Social Work supported the intent of this measure. The Department of Human Services did not support this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THE UNIVERSITY OF HAWAII SCHOOL OF SOCIAL WORK TO STUDY THE EFFECTS OF THE WORK REQUIREMENTS OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM";
- (2) Changing the focus of the resolution to study the effects of TANF work requirements in general, rather than focusing on only the negative effects;
- (3) Extending the study by one year and requiring an interim report prior to the convening of the Regular Session of 2009 and a final report prior to the convening of the Regular Session of 2010; 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. 205, 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. 205, H.D. 1.

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

SCRep. 1500-08 Education/Labor & Public Employment on H.C.R. No. 329

The purpose of this measure is to request the Department of Education (DOE) in conjunction with the University of Hawaii Center for Labor Education and Research (CLEAR) and various labor organizations to provide opportunities for Hawaii's students to learn about Hawaii's labor history.

The Hawaii State Teachers Association (HSTA), Labors' Union Local 368, International Longshore and Warehouse Union (ILWU) Local 142, Hawaii Building and Construction Trades Council, Marine Firemen's Union, Hawaii State AFL-CIO, Hawaii Teamster and Allied Workers Local 996, Asian Pacific American Labor Alliance, Hawaii Government Employees Association (HGEA), and United Public Workers (UPW) testified in support of the measure. DOE testified in opposition to testified in opposition to the resolution.

Your Committees has amended the measure by:

- (1) Deleting lines 10 to 16 of page one
- (2) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 329, as amended herein, and recommend 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 Bertram, Cabanilla, McKelvey, Nakasone, Saiki, Souki, Takai, Wakai, Finnegan, Meyer and Pine.

SCRep. 1501-08 Education on H.R. No. 225

The purpose of this measure is to request the Department of Education (DOE), the County of Kauai, Kapaa community members, and other appropriate state agencies to conduct a feasibility study and develop a plan for relocating Kapaa Public Library.

The Hawaii State Public Library System (HSPLS) and Kapaa Public Library testified in support of the 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. 225 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Saiki, Takai, Wakai and Finnegan.

SCRep. 1502-08 Education on H.C.R. No. 265

The purpose of this measure is to request the Department of Education (DOE), the County of Kauai, Kapaa community members, and other appropriate state agencies to conduct a feasibility study and develop a plan for relocating Kapaa Public Library.

The Hawaii State Public Library System (HSPLS) and Kapaa Public Library testified in support of the 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. 265 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Saiki, Takai, Wakai and Finnegan.

SCRep. 1503-08 Education on H.R. No. 242

The purpose of this measure is to request the Department of Education (DOE) to establish a pilot program to allow public school principals to use a debit card system for purchasing school supplies and other related curriculum support supplies.

Hawaii State House Representative Corrine Ching and several individuals testified in support of the measure. DOE testified in opposition to the resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 242 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Saiki, Takai, Wakai and Finnegan.

SCRep. 1504-08 Education on H.C.R. No. 290

The purpose of this measure is to request the Department of Education (DOE) to establish a pilot program to allow public school principals to use a debit card system for purchasing school supplies and other related curriculum support supplies.

Hawaii State House Representative Corrine Ching and several individuals testified in support of the measure. DOE testified in opposition to the resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 290 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Saiki, Takai, Wakai and Finnegan.

SCRep. 1505-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 117

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources, Land Division, to assemble various state, county, and community agencies to meet and develop a Hanapepe Salt Pond Resource Management Plan.

The Office of Hawaiian Affairs, Hawaii Boaters Political Action Association, and numerous concerned individuals testified in support of this concurrent resolution. The Department of Land and Natural Resources opposed this measure.

Your Committee finds that the Hanapepe Salt Ponds on the island of Kauai are a precious resource, in danger of destruction by pollution from various sources. Your Committee believes that a comprehensive management plan to alleviate the multiple stresses on this resource is crucial to its revitalization.

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. 117 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1506-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 95

The purpose of this resolution is to urge the Department of Land and Natural Resources and the County of Hawaii to prepare a coordinated, comprehensive plan to address the needs and concerns of the lessees facing eviction, upon the expiration of their leases at the Kanoelehua Industrial Park in Hilo.

The Hilo Fish Company, Inc., supported this resolution. The Department of Land and Natural Resources provided comments.

Your Committee finds that while most of the affected leases are not scheduled to expire until 2016, many of the businesses must start planning now to ensure a seamless transition in the future.

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. 95 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1507-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 112

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources and the County of Hawaii to prepare a coordinated, comprehensive plan to address the needs and concerns of the lessees facing eviction, upon the expiration of their leases at the Kanoelehua Industrial Park in Hilo.

The Hilo Fish Company, Inc., supported this concurrent resolution. The Department of Land and Natural Resources provided comments.

Your Committee finds that while most of the affected leases are not scheduled to expire until 2016, many of the businesses must start planning now to ensure a seamless transition in the future.

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. 112 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1508-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 186

The purpose of this resolution is to request the Department of Land and Natural Resources to regularly consult with Ho'olaulima ia Kawai Nui to coordinate efforts to protect, preserve, and maintain the natural, cultural, and scenic resources of Kawai Nui Marsh.

The Department of Land and Natural Resources supported the intent of this resolution. The Windward Ahupuaa Alliance 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 concurs with the intent and purpose of H.R. No. 186 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1509-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 219

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to regularly consult with Ho'olaulima ia Kawai Nui to coordinate efforts to protect, preserve, and maintain the natural, cultural, and scenic resources of Kawai Nui Marsh.

The Department of Land and Natural Resources supported the intent of this concurrent resolution. The Windward Ahupuaa Alliance 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 concurs with the intent and purpose of H.C.R. No. 219 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1510-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 245

The purpose of this resolution is to urge the University of Hawaii and supporting community members to move expeditiously to implement plans for the construction of the Cancer Research Center of Hawaii at Kakaako.

The University of Hawaii System 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. 245 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1511-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 294

The purpose of this concurrent resolution is to urge the University of Hawaii and supporting community members to move expeditiously to implement plans for the construction of the Cancer Research Center of Hawaii at Kakaako.

The University of Hawaii System 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.C.R. No. 294 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1512-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 286

The purpose of this resolution is to request the Office of Hawaiian Affairs to televise the general meetings of the Board of Trustees of the Office of Hawaiian Affairs.

A concerned individual testified in support.

Your Committee finds that televising the general meetings of the Office of Hawaiian Affairs would help to increase community participation and input in the discussions that affect the Hawaiian community.

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. 286 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1513-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 345

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs to televise the general meetings of the Board of Trustees of the Office of Hawaiian Affairs.

A concerned individual testified in support.

Your Committee finds that televising the general meetings of the Office of Hawaiian Affairs would help to increase community participation and input in the discussions that affect the Hawaiian community.

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. 345 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1514-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 287

The purpose of this resolution is to request the Department of Land and Natural Resources, Division of Aquatic Resources, to conduct a study on Parts I, II, IV, and V of Title 13, Subtitle 4, of the Hawaii Administrative Rules, which regulate the management of aquatic resources.

The Hawaii Boaters Political Action Association and a concerned individual supported this resolution. The Department of Land and Natural Resources opposed this measure. A concerned individual provided comments.

It is the intent of your Committee for this study to provide answers to the fishermen's questions regarding fishing rules that have gone unanswered.

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. 287 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1515-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 346

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources, Division of Aquatic Resources, to conduct a study on Parts I, II, IV, and V of Title 13, Subtitle 4, of the Hawaii Administrative Rules, which regulate the management of aquatic resources.

The Hawaii Boaters Political Action Association and a concerned individual supported this concurrent resolution. The Department of Land and Natural Resources opposed this measure. A concerned individual provided comments.

It is the intent of your Committee for this study to provide answers to the fishermen's questions regarding fishing rules that have gone unanswered.

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. 346 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1516-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 288

The purpose of this resolution is to urge the Department of Land and Natural Resources to proceed immediately with the adoption of rules to regulate the ornamental reef fishery industry in South Maui and Kaneohe Bay.

The Koolau Foundation, Koolaupoko Hawaiian Civic Club, Wayne's Ocean World, and several concerned individuals supported this resolution. The Department of Land and Natural Resources opposed this measure.

Your Committee finds that the taking of ornamental reef fish for aquarium collections must be regulated immediately, before the resources are depleted.

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. 288 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1517-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 347

The purpose of this concurrent resolution is to urge the Department of Land and Natural Resources to proceed immediately with the adoption of rules to regulate the ornamental reef fishery industry in South Maui and Kaneohe Bay.

The Koolau Foundation, Koolaupoko Hawaiian Civic Club, Wayne's Ocean World, and several concerned individuals supported this concurrent resolution. The Department of Land and Natural Resources opposed this measure.

Your Committee finds that the taking of ornamental reef fish for aquarium collections must be regulated immediately, before the resources are depleted.

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. 347 and recommends its adoption.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1518-08 International Affairs/Human Services & Housing on H.R. No. 110

The purpose of this resolution is to support federal financial assistance for persons present in the United States under the Compacts of Free Association (COFA).

The Office of Language Access (OLA) and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported this resolution.

Your Committees have amended this resolution by:

- (1) Changing its title to read: "SUPPORTING ASSISTANCE FOR PERSONS PRESENT IN THE UNITED STATES UNDER THE COMPACTS OF FREE ASSOCIATION";
- (2) Requesting OLA to provide its services to citizens of COFA nations and that other programs for individuals whose first language is not English be provided to citizens of COFA nations; 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 Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 110, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 110, H.D. 1.

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

SCRep. 1519-08 International Affairs/Human Services & Housing on H.C.R. No. 128

The purpose of this concurrent resolution is to support federal financial assistance for persons present in the United States under the Compacts of Free Association (COFA).

The Office of Language Access (OLA) and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supported this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Changing its title to read: "SUPPORTING ASSISTANCE FOR PERSONS PRESENT IN THE UNITED STATES UNDER THE COMPACTS OF FREE ASSOCIATION";
- (2) Requesting OLA to provide its services to citizens of COFA nations and that other programs for individuals whose first language is not English be provided to citizens of COFA nations; 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 Human Services & Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 128, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 128, H.D. 1.

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

SCRep. 1520-08 Public Safety & Military Affairs on H.R. No. 216

The purpose of this Resolution is to urge the counties to provide more information on flooding to enable homeowners and businesses to learn more about flood zones and the risks of flooding.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors. A Kaneohe Neighborhood Board member submitted comments.

Your Committee finds that according to the Federal Emergency Management Agency, a home located in a Special Flood Hazard Area has a twenty-six per cent chance of flooding within a thirty-year period. Additionally, twenty to twenty-five per cent of the claims received by the National Flood Insurance Program are from homeowners outside high flood risk areas.

To assist homeowners with information on flooding and flood insurance, online tutorials are available from flood insurance rate maps and flood insurance studies on the Federal Emergency Management Agency's website. County planning departments can also provide flood information and inform homeowners on whether flood zones in their area are considered high risk or low-to-moderate risk zones.

By requesting the counties to provide more information on flooding, this Resolution will enable residents, businesses, renters, and landowners to learn about the flood zones in which their homes and businesses may be located and the best way to protect themselves.

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. 216 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1521-08 Public Safety & Military Affairs on H.C.R. No. 255

The purpose of this Concurrent Resolution is to urge the counties to provide more information on flooding to enable homeowners and businesses to learn more about flood zones and the risks of flooding.

Your Committee received testimony in support of this measure from the Hawaii Association of Realtors. A Kaneohe Neighborhood Board member submitted comments.

Your Committee finds that according to the Federal Emergency Management Agency, a home located in a Special Flood Hazard Area has a twenty-six per cent chance of flooding within a thirty-year period. Additionally, twenty to twenty-five per cent of the claims received by the National Flood Insurance Program are from homeowners outside high flood risk areas.

To assist homeowners with information on flooding and flood insurance, online tutorials are available from flood insurance rate maps and flood insurance studies on the Federal Emergency Management Agency's website. County planning departments can also provide flood information and inform homeowners on whether flood zones in their area are considered high risk or low-to-moderate risk zones.

By requesting the counties to provide more information on flooding, this Concurrent Resolution will enable residents, businesses, renters, and landowners to learn about the flood zones in which their homes and businesses may be located and the best way to protect themselves.

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. 255 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, Nakasone, Nishimoto, Souki and Takumi.

SCRep. 1522-08 Judiciary on S.B. No. 2425

The purpose of this bill is to clarify the costs associated with extinguishing a brush fire that a person convicted of arson may be required to pay to include:

- (1) Personnel salary, benefits, and overtime;
- (2) The operation, maintenance, and repair of apparatus, aircraft, and equipment;
- (3) Supplies expended, damaged, or lost; and
- (4) Rehabilitation supplies during fire fighting operations.

The Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Fire Department, and the Department of Fire and Public Safety of the County of Maui testified in support of this bill. The Office of the Public Defender opposed this measure.

Currently, the court lacks guidance as to which costs it can require an arsonist to pay as a result of starting a brush fire.

As affirmed by the record of votes of 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. 2425, 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 Luke, Morita, Sonson and Thielen.

SCRep. 1523-08 Judiciary on S.B. No. 2363

The purpose of this bill is to provide additional protection to mentally disabled persons who lack the capacity to consent to sexual acts by establishing strict liability for the offense of sexual assault against persons who are mentally defective.

The Disability and Communications Access Board, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Hawaii Disability Rights Center, Hawaii Centers for Independent Living, Sex Abuse Treatment Center, and several concerned individuals supported this bill. The Office of the Public Defender, and The Arc in Hawaii submitted comments.

Your Committee has amended this measure by changing its effective date to January 1, 2112, to encourage further discussion. 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 S.B. No. 2363, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2363, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Luke, Sonson and Thielen.

SCRep. 1524-08 Judiciary on S.B. No. 3203

The purpose of this bill is to protect animals by establishing the offense of "animal hoarding" and making it a misdemeanor.

A concerned individual supported this bill. The Public Defender and Animal Care Foundation opposed this measure. The Attorney General, Department of Prosecuting Attorney, and Hawaiian Humane Society provided comments.

Your Committee has amended this bill by:

- (1) Changing the number of animals necessary for the crime from more than a typical number to more than 20 dogs, cats, or a combination thereof;
- (2) Changing the state of mind necessary for the crime from negligence to knowing;
- (3) Changing the penalty for the offense from a misdemeanor to a petty misdemeanor;
- (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 S.B. No. 3203, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3203, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morita and Pine. (Representative Evans voted no.)

SCRep. 1525-08 Consumer Protection & Commerce on S.B. No. 1805

The purpose of this bill is to ensure access to high quality genetic counseling services by establishing a licensure program for genetic counselors.

The Hawaii Medical Association, Hawaii Down Syndrome Congress, and numerous concerned individuals testified in support of this bill. The Department of Health opposed this measure.

Genetic counselors assist patients and their physicians in determining genetic risks for disease and other medical conditions. The licensing of genetic counselors will help ensure that genetic information used by patients in their medical decisions is received from providers with appropriate knowledge and training.

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. 1805, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Ito, Morita, Sonson and Souki.

SCRep. 1526-08 Consumer Protection & Commerce on S.B. No. 2159

The purpose of this bill is to improve the availability of qualified mental health services by:

- (1) Repealing the sunset provision for the mental health counselor licensing program under Chapter 453D, Hawaii Revised Statutes (HRS); and
- (2) Adding licensed mental health counselors to the list of practitioners who may provide the mental health services required to be included in health insurance policies under Chapter 431M, HRS.

The Office of the Auditor, Hawaii Rehabilitation Counseling Association, Alliance for Professional Counselor Licensure, Kaiser Permanente, and numerous concerned individuals testified in support of this bill.

This bill continues the mental health counselor licensing program established under Act 209, Session Laws of Hawaii 2004. Your Committee finds that the continued licensure of mental health counselors, along with insurance coverage for their services, will increase access to qualified mental health services.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2159, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Ito, Morita, Sonson and Souki.

SCRep. 1527-08 Judiciary on S.B. No. 1802

The purpose of this bill is to allow health care providers to share necessary and relevant information, while preserving patient privacy, by creating an exception to the confidentiality of mental health records to allow a health care provider to disclose information to another health care provider for continued care or treatment.

The Hawaii Primary Care Association, Institute for Human Services, Inc., Kaiser Permanente Hawaii, Mental Health America of Hawaii, The Queen's Medical Center, NAMI Hawaii, and numerous concerned individuals supported this bill. The Department of Health supported this measure with amendments. Several concerned individuals provided comments.

Your Committee understands that it may well be in the interest of a patient, and society in general, for health care providers to be able to share information about the patient's mental health. Nonetheless, your Committee is mindful that our State affords individuals an extraordinarily high level of privacy protection, and that information concerning mental health care can be very sensitive, as well as susceptible to misuse or misinterpretation, especially over time. With prior concurrence from your Committee on Health, your Committee has amended this measure by:

- (1) Restricting the information that may be shared to actual diagnoses and medical prescription records; and
- (2) Restricting the persons allowed to share such information, to consecutive health care providers currently or most recently providing care to the patient.

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 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. 1802, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1802, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Morita, Waters and Yamane.

SCRep. 1528-08 International Affairs on H.C.R. No. 90

The purpose of this concurrent resolution is to urge the United States Congress to support the Korea-United States Free Trade Agreement.

The Korean Consulate General in Honolulu, U.S.-Korea Business Council, and American Chamber of Commerce in Korea supported this concurrent resolution. The Hawaii Chapter of the Asian Pacific Labor Alliance opposed 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. 90 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1529-08 Health/Human Services & Housing on H.R. No. 157

The purpose of this resolution is to provide and assist residents who are eligible for healthcare coverage through QUEST with the resources to conquer smoking, which remains a major health issue for the people of Hawaii by requesting the Department of Human Services to study the feasibility of implementing a smoking cessation benefit to Hawaii QUEST beneficiaries.

The Coalition for a Tobacco-Free Hawaii supports this resolution. The Department of Human Services supports the intent of this resolution.

Your Committees find that the Department of Human Services should explore the existing 1-800-Quit-Now program designed to help smokers who want to quit, and work on a contract to have QUEST and Medicaid patients receive these services for free.

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. 157 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1530-08 Health/Human Services & Housing on H.C.R. No. 187

The purpose of this concurrent resolution is to provide and assist residents who are eligible for healthcare coverage through QUEST with the resources to conquer smoking, which remains a major health issue for the people of Hawaii by requesting the Department of Human Services to study the feasibility of implementing a smoking cessation benefit to Hawaii QUEST beneficiaries.

The Coalition for a Tobacco-Free Hawaii supports this concurrent resolution. The Department of Human Services supports the intent of this concurrent resolution.

Your Committees find that the Department of Human Services should explore the existing 1-800-Quit-Now program designed to help smokers who want to quit, and work on a contract to have QUEST and Medicaid patients receive these services for free.

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. 187 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1531-08 Economic Development & Business Concerns on H.C.R. No. 358

The purpose of this concurrent resolution is to ensure proper checks and balances in public, education, and government (PEG) access organizations' spending of public monies by establishing a task force to recommend a process, other than under the Hawaii Public Procurement Code, to oversee these expenditures.

The Department of Commerce and Consumer Affairs supported the intent of this measure. Olelo Community Television opposed this measure. Akaku: Maui Community Television submitted comments.

Your Committee finds that the application of procurement code procedures to PEG access organization selection and expenditures may have a detrimental effect on the reliability of PEG access services and the long-term maintenance of PEG access equipment. However, the fact is that these PEG access organizations are publicly funded by way of user fees from cable television subscribers. Thus, it is imperative that there be oversight of the expenditure of these public funds.

At the same time, your Committee feels that this measure is not specific enough in its goals and has amended it by specifying that the report submitted to the Legislature shall include suggested policy changes for the selection of PEG access organizations.

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. 358, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 358, H.D. 1.

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

SCRep. 1532-08 Public Safety & Military Affairs on H.C.R. No. 214

The purpose of this concurrent resolution is to ensure the safety of Hawaii's inmates housed in mainland prisons by requesting the Auditor to conduct performance audits of these private prisons.

The Office of Hawaiian Affairs, American Civil Liberties Union of Hawaii, Hawaii Government Employees Association, the Drug Policy Forum of Hawaii, Community Alliance on Prisons, and several concerned individuals supported this concurrent resolution. The Department of Public Safety (PSD) opposed this measure.

Your Committee has amended this concurrent resolution by:

- (1) In lieu of performance audits of mainland prisons that house Hawaii inmates, requesting the Auditor to conduct a performance audit of PSD's Mainland and FDC Branch on the contract compliance of private prisons housing Hawaii's inmates;
- (2) Changing its title to read as follows: "REQUESTING THE AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF THE DEPARTMENT OF PUBLIC SAFETY, MAINLAND AND FDC BRANCH, ON CONTRACT COMPLIANCE OF PRIVATE PRISONS THAT HOUSE HAWAII INMATES";
- (3) Including suicide prevention programs as one of the aspects for the Auditor to review in studying the private prisons' mental health services;
- (4) Requesting that the audit cover certain aspects of PSD's oversight of the private prisons' management of Hawaii inmates;
- (5) Deleting the provision specifying the proposed legislation be included in the Auditor's report; 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 concurs with the intent and purpose of H.C.R. No. 214, 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. 214, H.D. 1.

Signed by all members of the Committee except Representatives Luke, McKelvey, Nakasone, Takamine, Takumi and Pine.

SCRep. 1533-08 Health on H.R. No. 11

The purpose of this resolution is to work toward providing healthier food options in the restaurant industry by requesting the Department of Health (DOH) to determine the feasibility of reducing or eliminating the use of trans fats in food preparation and food service by Hawaii's restaurant industry.

A proposed House Draft 1 (H.D. 1) for this measure was provided to the public for review prior to its hearing date. As amended, the proposed H.D. 1 requests DOH to establish an Electrocardiogram Wireless Transmission Project Task Force (Task Force) to track and study the progress of the Honolulu Emergency Services Department's project that is equipping ambulances and rapid response vehicles with an EKG wireless transmission system to transmit EKG data to any hospital wishing to participate in the project.

Several concerned individuals supported the proposed H.D. 1 for this resolution. The Honolulu Emergency Services Department submitted comments.

Your Committee has amended this resolution by replacing its contents with those of the proposed H.D. 1.

This measure was further amended by:

- (1) Replacing the two cardiologist members of the Task Force with a board certified emergency room physician;
- (2) Replacing the representative of the Coalition for a Tobacco-Free Hawaii with the Chairperson of the American Heart Association of Hawaii or the Chairperson's designee; and

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 11, 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. 11, H.D. 1.

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

SCRep. 1534-08 Health on H.C.R. No. 10

The purpose of this concurrent resolution is to work toward providing healthier food options in the restaurant industry by requesting the Department of Health (DOH) to determine the feasibility of reducing or eliminating the use of trans fats in food preparation and food service by Hawaii's restaurant industry.

A proposed House Draft 1 (H.D. 1) for this measure was provided to the public for review prior to its hearing date. As amended, the proposed H.D. 1 requests DOH to establish an Electrocardiogram Wireless Transmission Project Task Force (Task Force) to track and study the progress of the Honolulu Emergency Services Department's project that is equipping ambulances and rapid response vehicles with an EKG wireless transmission system to transmit EKG data to any hospital wishing to participate in the project.

Several concerned individuals supported the proposed H.D. 1 for this concurrent resolution. The Honolulu Emergency Services Department submitted comments.

Your Committee has amended this concurrent resolution by replacing its contents with those of the proposed H.D. 1.

This measure was further amended by:

- (1) Replacing the two cardiologist members of the Task Force with a board certified emergency room physician;
- (2) Replacing the representative of the Coalition for a Tobacco-Free Hawaii with the Chairperson of the American Heart Association of Hawaii or the Chairperson's designee; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 10, 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. 10, H.D. 1.

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

SCRep. 1535-08 Agriculture on H.R. No. 270

The purpose of this resolution is to explore the potential of Hawaii-grown cacao as a new industry by requesting that the Department of Agriculture convene a Cacao Task Force to expedite the introduction and delivery of Hawaiian cacao to the U.S. mainland and international marketplace.

The Representative of the Twenty-Seventh House District, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Dole Food Company, and several individuals testified in support of the measure. The Department of Agriculture offered comments.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 270, 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. 270, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Manahan, Wakai, Yamane and Meyer.

SCRep. 1536-08 Agriculture on H.C.R. No. 326

The purpose of this concurrent resolution is to explore the potential of Hawaii-grown cacao as a new industry by requesting that the Department of Agriculture convene a Cacao Task Force to expedite the introduction and delivery of Hawaiian cacao to the U.S. mainland and international marketplace.

The Representative of the Twenty-Seventh House District, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Dole Food Company, and several individuals testified in support of the measure. The Department of Agriculture offered comments.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 326, 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. 326, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Manahan, Wakai, Yamane and Meyer.

SCRep. 1537-08 Energy & Environmental Protection on H.R. No. 160

The purpose of this resolution is to request the counties to develop and implement programs to encourage retailers to increase the use of environmentally preferable alternatives to non-biodegradable plastic bags, such as compostable or reusable bags.

A member of the Maui County Council, Windward Ahupuaa Alliance, Beach Environmental Awareness Campaign Hawaii, Styrophobia LLC, and several concerned individuals testified in support of this resolution. The Retail Merchants of Hawaii, Progressive Bag Affiliates of the American Chemistry Council, and the Hawaii Food Industry Association opposed this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 160 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 1538-08 Energy & Environmental Protection on H.C.R. No. 191

The purpose of this concurrent resolution is to request the counties to develop and implement programs to encourage retailers to increase the use of environmentally preferable alternatives to non-biodegradable plastic bags, such as compostable or reusable bags.

A member of the Maui County Council, Windward Ahupuaa Alliance, Beach Environmental Awareness Campaign Hawaii, Styrophobia LLC, and several concerned individuals testified in support of this concurrent resolution. The Retail Merchants of Hawaii, Progressive Bag Affiliates of the American Chemistry Council, and the Hawaii Food Industry Association opposed this measure. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 191 and recommends that it be referred to the Committee on Economic Development & Business Concerns.

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

SCRep. 1539-08 Energy & Environmental Protection on H.R. No. 290

The purpose of this resolution is to request the Retail Merchants of Hawaii and Hawaii Food Industry Association to submit a report to the Legislature on their public-education campaign about "reducing, reusing, and recycling" plastic bags.

The Retail Merchants of Hawaii and Hawaii Food Industry Association provided comments.

Upon careful consideration, your Committee has amended this resolution by:

- (1) Changing the title to read: URGING THE COUNTIES TO ADOPT AND IMPLEMENT GRAY WATER RECYCLING PROGRAMS FOR RESIDENTIAL IRRIGATION PURPOSES AS PROVIDED UNDER THE UNIFORM PLUMBING CODE STANDARDS; and
- (2) Urging the counties to adopt and implement gray water recycling programs that adopt the gray water standards for residential subsurface landscape irrigation as provided in the Uniform Plumbing Code.

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. 290, 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. 290, H.D. 1.

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

SCRep. 1540-08 Energy & Environmental Protection on H.C.R. No. 353

The purpose of this concurrent resolution is to request the Retail Merchants of Hawaii and Hawaii Food Industry Association to submit a report to the Legislature on their public-education campaign about "reducing, reusing, and recycling" plastic bags.

The Retail Merchants of Hawaii and Hawaii Food Industry Association provided comments.

Upon careful consideration, your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: URGING THE COUNTIES TO ADOPT AND IMPLEMENT GRAY WATER RECYCLING PROGRAMS FOR RESIDENTIAL IRRIGATION PURPOSES AS PROVIDED UNDER THE UNIFORM PLUMBING CODE STANDARDS; and

- (2) Urging the counties to adopt and implement gray water recycling programs that adopt the gray water standards for residential subsurface landscape irrigation as provided in the Uniform Plumbing Code.

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. 353, 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. 353, H.D. 1.

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

SCRep. 1541-08 Energy & Environmental Protection on H.R. No. 223

The purpose of this resolution is to request the Research Corporation of the University of Hawaii with consultation from the interdisciplinary team established by House Bill No. 2510, H.D. 2, to review the feasibility and impact of requiring an environmental impact statement to include effects of a proposed action as a contributor to climate change.

The Office of Hawaiian Affairs supported this resolution.

Your Committee has amended this resolution by:

- (1) Changing the title to read: REQUESTING THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII AND THE International AffairsERDISCIPLINARY TEAM REVIEWING CHAPTERS 341, 343, AND 344, HAWAII REVISED STATUTES, TO REVIEW THE FEASIBILITY AND IMPACT OF REQUIRING AN ENVIRONMENTAL IMPACT STATEMENT TO INCLUDE EFFECTS OF A PROPOSED ACTION AS A CONTRIBUTOR TO CLIMATE CHANGE; and
- (2) Deleting any references to House Bill No. 2510, H.D. 2.

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. 223, as amended herein, and recommends that it be referred to the Committee on Higher Education in the form attached hereto as H.R. No. 223, H.D. 1.

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

SCRep. 1542-08 Energy & Environmental Protection on H.C.R. No. 263

The purpose of this concurrent resolution is to request the Research Corporation of the University of Hawaii with consultation from the interdisciplinary team established by House Bill No. 2510, H.D. 2, to review the feasibility and impact of requiring an environmental impact statement to include effects of a proposed action as a contributor to climate change.

The Office of Hawaiian Affairs supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Changing the title to read: REQUESTING THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII AND THE International AffairsERDISCIPLINARY TEAM REVIEWING CHAPTERS 341, 343, AND 344, HAWAII REVISED STATUTES, TO REVIEW THE FEASIBILITY AND IMPACT OF REQUIRING AN ENVIRONMENTAL IMPACT STATEMENT TO INCLUDE EFFECTS OF A PROPOSED ACTION AS A CONTRIBUTOR TO CLIMATE CHANGE; and
- (2) Deleting any references to House Bill No. 2510, H.D. 2.

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. 263, 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. 263, H.D. 1.

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

SCRep. 1543-08 Health on H.R. No. 238

The purpose of this measure is to seek the best practices for Hawaii's baby safe haven law and to have the department of human services report on their work since Act 7 of the 2007 Special Session was passed on July 10, 2007.

The primary focus of this resolution is the health and safety of the child. Your Committee finds that if the life of a newborn baby is saved because the mother is able to safely surrender her baby at a hospital or other baby safe haven instead of abandoning the child in a life threatening situation, then this would accomplish its goal.

Moreover, this resolution seeks to determine the best practices and to seek the feasibility of obtaining the identification of the parents and newborn baby prior to the safe surrender at a baby safe haven.

The Department of Health opposed this resolution.

Your Committee has amended the resolution by changing the title and contents of the resolutions to seek best practices from other states concerning their baby safe haven laws and to have the department of human services report their progress, if any, of ensuring the safety of newborn babies pursuant to the enactment of Act 7 of 2007 Special Session and to report said information to the Legislature no later than 20 days prior to the convening of the 2009 Legislative session.

Additional amendments were made by 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 Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 238, as amended herein, and recommends that it be referred to the Committee on Judiciary in the form attached hereto as H.R. No. 238, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Tokioka and Ward.

SCRep. 1544-08 Health on H.C.R. No. 284

The purpose of this measure is to seek the best practices for Hawaii's baby safe haven law and to have the department of human services report on their work since Act 7 of the 2007 Special Session was passed on July 10, 2007.

The primary focus of this resolution is the health and safety of the child. Your Committee finds that if the life of a newborn baby is saved because the mother is able to safely surrender her baby at a hospital or other baby safe haven instead of abandoning the child in a life threatening situation, then this would accomplish its goal.

Moreover, this concurrent resolution seeks to determine the best practices and to seek the feasibility of obtaining the identification of the parents and newborn baby prior to the safe surrender at a baby safe haven.

The Department of Health opposed this concurrent resolution.

Your Committee has amended the resolution by changing the title and contents of the resolutions to seek best practices from other states concerning their baby safe haven laws and to have the department of human services report their progress, if any, of ensuring the safety of newborn babies pursuant to the enactment of Act 7 of 2007 Special Session and to report said information to the Legislature no later than 20 days prior to the convening of the 2009 Legislative session.

Additional amendments were made by 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 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 Judiciary in the form attached hereto as H.C.R. No. 284, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Tokioka and Ward.

SCRep. 1545-08 Health/Human Services & Housing on H.C.R. No. 164

The purpose of this concurrent resolution is to ensure the highest standard of care is being maintained by certified nurse aides in certain health care settings by requesting the Auditor to conduct a study on the impact of Act 226, session laws of Hawaii 2007, on nurse aides who are employed in state-certified or state-licensed health care settings to provide a basis for the Legislature to decide whether to amend Act 226, session laws of Hawaii 2007.

The Department of Commerce and Consumer Affairs, Hawaii Long Term Care Association, Hawaii Coalition of Care Givers 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. 164 and recommend that it be referred to the Committee on Consumer Protection & Commerce.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Tokioka and Ward.

SCRep. 1546-08 Human Services & Housing/Health on H.C.R. No. 73

The purpose of this concurrent resolution is to request Hawaii's Congressional Delegation to work with the appropriate federal agencies to examine and reconsider how the federal government spends its health care dollars.

The Department of Human Services supported this concurrent resolution. Faith Action for Community Equity provided comments.

Your Committees have amended this concurrent resolution by:

- (1) Clarifying that the federal medical assistance percentage should be increased;
- (2) Correcting the current multiplier used to calculate the federal medical assistance percentage from 0.45 to 0.5650; 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. 73, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 73, H.D. 1.

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

SCRep. 1547-08 Legislative Management on H.C.R. No. 43

The purpose of this concurrent resolution is to request the Office of the Auditor to conduct a management and financial audit of the University of Hawaii (UH) at Manoa's Athletic Department (Athletic Department).

UH and the Athletic Department offered comments on this measure.

In offering comments on this measure, the UH at Manoa and the Athletic Department testified that independent financial audits are already conducted annually on the Athletic Department. In addition, as a result of the appointment of the new Director of Athletics, UH also plans to conduct an independent management audit of the Athletic Department.

The Director of Athletics apologized to your Committee for:

- (1) The recent turmoil surrounding UH athletics that resulted in negative publicity; and
- (2) The perceived lack of transparency in answers previously given to legislators' questions regarding UH athletics.

Your Committee appreciates the candidness of the Director of Athletics and accepts the apology.

Finally, your Committee encourages the Legislative Auditor to review the findings of the independent financial audits of the Athletic Department as it conducts its own financial 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, 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. 1548-08 International Affairs on S.C.R. No. 52

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) and the Hawaii Tourism Authority (HTA) to implement programs to increase visitors from Taiwan, and requesting the Secretary of Homeland Security to expand the visa waiver program to include Taiwan.

The Chinese Chamber of Commerce of Hawaii and several concerned individuals supported this concurrent resolution. DBEDT and HTA provided comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the Southern Taiwan visa office to find ways to allow people to receive visas without having to travel to Northern Taiwan; and
- (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 concurs with the intent and purpose of S.C.R. No. 52, as amended herein, and recommends that it be referred to the Committee on Tourism & Culture in the form attached hereto as S.C.R. No. 52, H.D. 1.

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

SCRep. 1549-08 International Affairs on S.C.R. No. 53

The purpose of this concurrent resolution is to urge the President of the United States to enter into a free trade agreement with Taiwan.

The Honolulu Taiwanese Chambers of Commerce and Chinese Chamber of Commerce of Hawaii supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Requesting that a certified copy of this measure be sent to the President of Taiwan; and
- (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 concurs with the intent and purpose of S.C.R. No. 53, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Economic Development & Business Concerns in the form attached hereto as S.C.R. No. 53, S.D. 1, H.D. 1.

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

SCRep. 1550-08 Judiciary on H.C.R. No. 349

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to study the effects of medical tort reform on access to health care.

A concerned individual opposed this measure. LRB, Department of Commerce and Consumer Affairs, and Hawaii Medical Association 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 concurs with the intent and purpose of H.C.R. No. 349 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1551-08 Judiciary on H.C.R. No. 231

The purpose of this concurrent resolution is to request the Legislative Reference Bureau (LRB) to study the cost of convening a Constitutional Convention in 2010 and to provide an estimate of the total projected expenditure.

The Representative of the 25th District testified in support of the intent of this bill. The Office of the Lieutenant Governor testified in opposition to this measure. LRB 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 concurs with the intent and purpose of H.C.R. No. 231 and recommends that it be referred to the Committee on Legislative Management.

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

SCRep. 1552-08 Judiciary on H.C.R. No. 267

The purpose of this concurrent resolution is to request the Office of Elections to provide an informational briefing and demonstration to the appropriate committees in the Senate and House of Representatives regarding the operation and use of new electronic voting systems, and to provide information to the Legislature, prior to contracting, regarding the purchase of any new software or equipment related to any new voting system.

Testimony in support of this measure was received from the Disability and Communication Access Board, American Civil Liberties Union of Hawaii, and Election Systems and Software, Inc. A concerned individual supported the intent of this measure. The Office of Elections and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Clarifying that:
 - (A) The Legislature has become aware of information that the costs of such new systems and equipment for a multi-year contract and commitment may be nearly \$53,000,000;
 - (B) There is insufficient information at this time to confirm whether the funding for this amount is reasonable or that it will be provided by all necessary sources, including federal, state, and county funds, and whether the proper procedures and certifications required were correctly and completely adhered to and completed, or in some instances abridged; and
 - (C) The Office of Elections has indicated that the contract, when awarded, will provide for a mechanism whereby the contract can be cancelled if future funding amounts are not appropriated or otherwise made available, although it may be more reasonable and prudent for the Legislature that any such potential commitment or investment be properly reviewed and verified as appropriate;
- (2) Requesting the Office of Elections to provide information regarding prior and future funding amounts and sources, and to provide justification that future appropriations are reasonable and necessary;
- (3) Requesting the Office of Elections to hold the informational briefing as soon as practicable and prior to November 4, 2008, the date of the next general election; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 267, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 267, H.D. 1.

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

SCRep. 1553-08 Economic Development & Business Concerns on H.R. No. 260

The purpose of this resolution is maintain support for high technology economic development in Hawaii by encouraging the University of Hawaii (UH) to extend its existing land lease with the High Technology Development Corporation (HTDC) for the Manoa Innovation Center (MIC).

HTDC testified in strong support of this measure. UH offered comments.

As the only viable technology incubator on the island of Oahu, HTDC's MIC offers a valuable service to fledgling high technology and innovation based businesses. Over 80 percent of the companies incubated in MIC have developed into successful private sector technology companies.

The existing land lease between the UH and HTDC for MIC expires in April 2015. Should the lease expire, MIC would be forced to relocate. However, development of MIC took approximately five years, and a similar time frame would be expected for the creation of a new innovation center.

Additionally, the success of MIC is strongly related to its proximity to the research institutions of the UH; an innovation center located elsewhere may not have the same effectiveness as the MIC.

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. 260 and recommends its adoption.

Signed by all members of the Committee except Representative Ching.

SCRep. 1554-08 Economic Development & Business Concerns on H.C.R. No. 312

The purpose of this concurrent resolution is maintain support for high technology economic development in Hawaii by encouraging the University of Hawaii (UH) to extend its existing land lease with the High Technology Development Corporation (HTDC) for the Manoa Innovation Center (MIC).

HTDC testified in strong support of this measure. UH offered comments.

As the only viable technology incubator on the island of Oahu, HTDC's MIC offers a valuable service to fledgling high technology and innovation based businesses. Over 80 percent of the companies incubated in MIC have developed into successful private sector technology companies.

The existing land lease between the UH and HTDC for MIC expires in April 2015. Should the lease expire, MIC would be forced to relocate. However, development of MIC took approximately five years, and a similar time frame would be expected for the creation of a new innovation center. Additionally, the success of MIC is strongly related to its proximity to the research institutions of the UH; an innovation center located elsewhere may not have the same effectiveness as the MIC.

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. 312 and recommends its adoption.

Signed by all members of the Committee except Representative Ching.

SCRep. 1555-08 Economic Development & Business Concerns on H.R. No. 208

The purpose of this resolution is to ensure the availability of long-term industrial and commercial real estate leases at terms allowing a fair return for both the lessee and lessor, by encouraging the development of good faith valuation standards and negotiating practices for these leases.

Bacon Universal, Servco Pacific Inc., Citizens for Fair Valuation, Grace Pacific Corporation, Plywood Hawaii, Olelo Community Television, and a concerned individual supported this measure.

Long-term industrial and commercial leases with terms that disadvantage lessees negatively affect our economy by imposing costs on business that are passed on to Hawaii's consumers and workers. The establishment of standards by which these industrial and commercial properties may be fairly valued, as well as of practices that bring a level playing field to the negotiation process, will allow lessors and lessees to achieve fair and reasonable lease rates and provide an overall benefit to Hawaii.

Your Committee has amended this measure by specifying that the Department of Business, Economic Development, and Tourism is encouraged to develop the fair-valuation standards.

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. 208, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 208, H.D. 1.

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

SCRep. 1556-08 Economic Development & Business Concerns on H.C.R. No. 246

The purpose of this concurrent resolution is to ensure the availability of long-term industrial and commercial real estate leases at terms allowing a fair return for both the lessee and lessor, by encouraging the development of good faith valuation standards and negotiating practices for these leases.

Bacon Universal, Servco Pacific Inc., Citizens for Fair Valuation, Grace Pacific Corporation, Plywood Hawaii, Olelo Community Television, and a concerned individual supported this measure.

Long-term industrial and commercial leases with terms that disadvantage lessees negatively affect our economy by imposing costs on business that are passed on to Hawaii's consumers and workers. The establishment of standards by which these industrial and commercial properties may be fairly valued, as well as of practices that bring a level playing field to the negotiation process, will allow lessors and lessees to achieve fair and reasonable lease rates and provide an overall benefit to Hawaii.

Your Committee has amended this measure by specifying that the Department of Business, Economic Development, and Tourism is encouraged to develop the fair-valuation standards.

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. 246, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 246, H.D. 1.

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

SCRep. 1557-08 Public Safety & Military Affairs on H.R. No. 22

The purpose of this resolution is to recognize the courageous services of Filipino veterans of World War II by proclaiming the month of June 2008, as "Filipino Veterans Appreciation Month."

The United Filipino Council of Hawaii, Congress of Visayan Organizations, Filipino American Citizens League, Filipino Coalition for Solidarity, National Federation of Filipino American Associations – Region 12, World War II Fil-Am Veterans – Hawaii Chapter, Philippine Nurses Association – Hawaii, and Oahu Filipino Community Council supported this resolution.

Your Committee has amended this resolution by:

- (1) Deleting provisions calling for the month of June 2008, to be declared as "Filipino Veterans Appreciation Month;"
- (2) Changing the title to: RECOGNIZING THE COURAGEOUS CONTRIBUTIONS AND SERVICE OF THE FILIPINO VETERANS OF WORLD WAR II; 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 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 Luke, McKelvey, Nakasone, Takamine, Takumi and Pine.

SCRep. 1558-08 Public Safety & Military Affairs on H.C.R. No. 22

The purpose of this concurrent resolution is to recognize the courageous services of Filipino veterans of World War II by proclaiming the month of June 2008, as "Filipino Veterans Appreciation Month."

The United Filipino Council of Hawaii, Congress of Visayan Organizations, Filipino American Citizens League, Filipino Coalition for Solidarity, National Federation of Filipino American Associations – Region 12, World War II Fil-Am Veterans – Hawaii Chapter, Philippine Nurses Association – Hawaii, and Oahu Filipino Community Council supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Deleting provisions calling for the month of June 2008, to be declared as "Filipino Veterans Appreciation Month;"
- (2) Changing the title to: RECOGNIZING THE COURAGEOUS CONTRIBUTIONS AND SERVICE OF THE FILIPINO VETERANS OF WORLD WAR II; 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 concurs with the intent and purpose of H.C.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committee except Representatives Luke, McKelvey, Nakasone, Takamine, Takumi and Pine.

SCRep. 1559-08 Health on H.R. No. 309

The purpose of this resolution is to acknowledge the hardships endured by the patients with Hansen's disease living in the remote northern Kalaupapa peninsula on the island of Molokai by expressing gratitude to the residents of Kalaupapa and their families for the sacrifices they made living in isolation on the island of Molokai and for being separated from society.

The Department of Health supports 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 H.R. No. 309 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Tokioka and Ward.

SCRep. 1560-08 Health on H.C.R. No. 373

The purpose of this concurrent resolution is to acknowledge the hardships endured by the patients with Hansen's disease living in the remote northern Kalaupapa peninsula on the island of Molokai by expressing gratitude to the residents of Kalaupapa and their families for the sacrifices they made living in isolation on the island of Molokai and for being separated from society.

The Department of Health supports 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. 373 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Tokioka and Ward.

SCRep. 1561-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.R. No. 210

The purpose of this resolution is to request the Department of Land and Natural Resources to evaluate the possibility of using a conservation land trust in the Ala Wai watershed area to establish a continuous corridor in which to implement effective storm water and pollution improvements.

A concerned individual supported this resolution. The Department of Land and Natural Resources opposed this measure. The Ala Wai Watershed Association provided comments.

Your Committee finds that the Ala Wai watershed is an invaluable resource on the island of Oahu. The Department of Land and Natural Resources is likely to have the best resources to evaluate the use of conservation land trusts as a measure to preserve the watershed area. However, the City and County of Honolulu (City) may also be able to provide valuable assistance, as storm water management and maintenance of some waterways are functions of the City. Accordingly, your Committee has amended this resolution by:

- (1) Amending the title to read: REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE CITY AND COUNTY OF HONOLULU TO EVALUATE THE POSSIBILITY OF USING A CONSERVATION LAND TRUST IN THE ALA WAI WATERSHED HIGHER EDUCATION AREA; and
- (2) Requesting the City and County of Honolulu to join the Department of Land and Natural Resources in evaluating the possibility of using a conservation land trust in the Ala Wai watershed 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 concurs with the intent and purpose of H.R. No. 210, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 210, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1562-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 248

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to evaluate the possibility of using a conservation land trust in the Ala Wai watershed area to establish a continuous corridor in which to implement effective storm water and pollution improvements.

A concerned individual supported this concurrent resolution. The Department of Land and Natural Resources opposed this measure. The Ala Wai Watershed Association provided comments.

Your Committee finds that the Ala Wai watershed is an invaluable resource on the island of Oahu. The Department of Land and Natural Resources is likely to have the best resources to evaluate the use of conservation land trusts as a measure to preserve the watershed area. However, the City and County of Honolulu (City) may also be able to provide valuable assistance, as storm water management and maintenance of some waterways are functions of the City. Accordingly, your Committee has amended this concurrent resolution by:

- (1) Amending the title to read: REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE CITY AND COUNTY OF HONOLULU TO EVALUATE THE POSSIBILITY OF USING A CONSERVATION LAND TRUST IN THE ALA WAI WATERSHIGHER EDUCATION AREA; and
- (2) Requesting the City and County of Honolulu to join the Department of Land and Natural Resources in evaluating the possibility of using a conservation land trust in the Ala Wai watershed 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 concurs with the intent and purpose of H.C.R. No. 248, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 248, H.D. 1.

Signed by all members of the Committee except Representative Carroll.

SCRep. 1563-08 Energy & Environmental Protection on H.R. No. 230

The purpose of this resolution is to protect the environment from the potential impacts of oil exploration and drilling by urging the President of the United States, the United States House of Representatives, the United States Senate, and the United States Department of the Interior to prevent oil and gas drilling in the Chukchi and Beaufort Sea region of Alaska.

The Windward Ahupua'a Alliance testified in support 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. 230 and recommends its adoption.

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

SCRep. 1564-08 Energy & Environmental Protection on H.C.R. No. 271

The purpose of this concurrent resolution is to protect the environment from the potential impacts of oil exploration and drilling by urging the President of the United States, the United States House of Representatives, the United States Senate, and the United States Department of the Interior to prevent oil and gas drilling in the Chukchi and Beaufort Sea region of Alaska.

The Windward Ahupua'a Alliance testified in support 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. 271 and recommends its adoption.

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

SCRep. 1565-08 Higher Education on H.R. No. 83

The purpose of this resolution is to support and recognize the legacy of Patsy Takemoto Mink for championing the cause of equity in women's athletic and educational programs in the nation's colleges.

Testimony in support of this measure was received from the University of Hawaii Department of Athletics and a private citizen.

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. 83 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1566-08 Higher Education on H.C.R. No. 101

The purpose of this concurrent resolution is to support and recognize the legacy of Patsy Takemoto Mink for championing the cause of equity in women's athletic and educational programs in the nation's colleges.

Testimony in support of this measure was received from the University of Hawaii Department of Athletics and a private citizen.

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. 101 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1567-08 Higher Education on H.R. No. 99

The purpose of this resolution is to support Hawaii's agricultural industry by requesting the University of Hawaii Agricultural Diagnostic Service Center, in consultation with certain public and private entities, to survey the information needs of Hawaii's agricultural industry and assess whether the Hawaii Agricultural Information Center can meet the needs of the agricultural industry.

Two concerned individuals supported 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. 99 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1568-08 Higher Education on H.C.R. No. 116

The purpose of this concurrent resolution is to support Hawaii's agricultural industry by requesting the University of Hawaii Agricultural Diagnostic Service Center, in consultation with certain public and private entities, to survey the information needs of Hawaii's agricultural industry and assess whether the Hawaii Agricultural Information Center can meet the needs of the agricultural industry.

Two concerned individuals supported 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. 116 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1569-08 Higher Education on H.R. No. 142

The purpose of this resolution is to support a way to determine an undisputed and true national champion in the Football Bowl Subdivision of collegiate football by urging the National Collegiate Athletic Association to have a playoff system similar to those operated in other divisions of collegiate football.

No testimony was received.

Even though no testimony was received, your Committee agrees with the intent of this measure and feels that it warrants consideration.

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. 142 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1570-08 Higher Education on H.C.R. No. 169

The purpose of this concurrent resolution is to support a way to determine an undisputed and true national champion in the Football Bowl Subdivision of collegiate football by urging the National Collegiate Athletic Association to have a playoff system similar to those operated in other divisions of collegiate football.

No testimony was received.

Even though no testimony was received, your Committee agrees with the intent of this measure and feels that it warrants consideration.

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. 169 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1571-08 Higher Education on H.R. No. 193

The purpose of this resolution is to address the shortage of physicians on our neighbor islands by requesting the University of Hawaii's John A. Burns School of Medicine to provide admission preference to students that mirrors the demographics of rural health professional shortage areas of the State.

The University of Hawaii System submitted comments on 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. 193 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1572-08 Higher Education on H.C.R. No. 226

The purpose of this concurrent resolution is to address the shortage of physicians on our neighbor islands by requesting the University of Hawaii's John A. Burns School of Medicine to provide admission preference to students that mirrors the demographics of rural health professional shortage areas of the State.

The University of Hawaii System submitted comments on 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. 226 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Takai, Takamine and Ching.

SCRep. 1573-08 Higher Education on H.R. No. 234

The purpose of this resolution is to dedicate the University of Hawaii (UH) School of Social Work in honor of Myron "Pinky" Thompson by changing the name of the school to the "Myron Thompson School of Social Work."

The two senators of Hawaii's congressional delegation, Association of Hawaiian Civic Clubs, Kamehameha Schools, National Association of Social Workers, Hawaii Chapter, Papa Ola Lokahi, Partners in Development Foundation, and several concerned individuals testified in support of this resolution. The UH at Manoa School of Social Work offered comments.

Your Committee has amended this resolution by:

- (1) Requesting the UH Board of Regents to consider making an exception to its rule that a UH building or school can be named only if a minimum \$25,000,000 donation is made, in light of Myron "Pinky" Thompson's momentous contributions to the field of social work for the benefit of the entire state and its people; and
- (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. 234, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 234, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takamine, Takumi and Ching.

SCRep. 1574-08 Higher Education on H.C.R. No. 276

The purpose of this concurrent resolution is to dedicate the University of Hawaii (UH) School of Social Work in honor of Myron "Pinky" Thompson by changing the name of the school to the "Myron Thompson School of Social Work."

The two senators of Hawaii's congressional delegation, Association of Hawaiian Civic Clubs, Kamehameha Schools, National Association of Social Workers, Hawaii Chapter, Papa Ola Lokahi, Partners in Development Foundation, and several concerned individuals testified in support of this resolution. The UH at Manoa School of Social Work offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Requesting the UH Board of Regents to consider making an exception to its rule that a UH building or school can be named only if a minimum \$25,000,000 donation is made, in light of Myron "Pinky" Thompson's momentous contributions to the field of social work for the benefit of the entire state and its people; and
- (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. 276, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 276, H.D. 1.

Signed by all members of the Committee except Representatives Berg, Saiki, Takai, Takamine, Takumi and Ching.

SCRep. 1575-08 International Affairs on H.R. No. 91

The purpose of this concurrent resolution is to request Congress and the President of the United States to enact the Filipino American Veterans Equity Act of 2007, or similar legislation that provides World War II Filipino veterans with full federal veterans benefits.

Several concerned individuals supported this concurrent resolution. The Office of Veterans Services (OVS) supported the intent of this measure.

Your Committee notes that according to OVS, the veterans of the Bataan Death March currently receive benefits and the extent of those benefits needs to be further clarified.

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. 91 and recommends its adoption.

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

SCRep. 1576-08 International Affairs on H.C.R. No. 109

The purpose of this concurrent resolution is to request Congress and the President of the United States to enact the Filipino American Veterans Equity Act of 2007, or similar legislation that provides World War II Filipino veterans with full federal veterans benefits.

Several concerned individuals supported this concurrent resolution. The Office of Veterans Services (OVS) supported the intent of this measure.

Your Committee notes that according to OVS, the veterans of the Bataan Death March currently receive benefits and the extent of those benefits needs to be further clarified.

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. 109 and recommends its adoption.

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

SCRep. 1577-08 Legislative Management on H.C.R. No. 239

The purpose of this concurrent resolution is to assess the impact of providing care for patients with chronic kidney disease at all five stages of its progression by requesting:

- (1) The Legislative Reference Bureau (LRB) to study its potential financial impact on the State's healthcare system; and
- (2) The Department of Business, Economic Development, and Tourism to analyze its potential impact on the State's economy.

St. Francis Healthcare System of Hawaii testified in support of this measure. LRB offered comments.

There are significant costs involved in caring for patients with chronic kidney disease. It is estimated that one hundred thousand Hawaii residents have a form of chronic kidney disease. Just treating patients categorized in the last stage of chronic kidney disease, also known as end stage renal disease, currently costs \$125,000,000.

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. 239, H.D. 1, and recommends its adoption.

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

SCRep. 1578-08 Consumer Protection & Commerce/Judiciary on S.B. No. 2401

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes relating to condominiums to reflect the existence of two different chapters relating to condominiums.

Your Committees received testimony in support of this measure from the Legislative Reference Bureau.

Act 164, Session Laws of Hawaii 2004, repealed portions of chapter 514A, Hawaii Revised Statutes, relating to condominium property regimes, and enacted a new condominium law, codified as chapter 514B, Hawaii Revised Statutes. Act 164 also substituted references to chapter 514B in place of chapter 514A in a substantial number of Hawaii Revised Statutes sections. Act 244, Session Laws of Hawaii 2007, reinstated the portions of chapter 514A that were repealed in the 2004 legislation, resulting in two operative chapters relating to condominiums, but did not, among other things, reinstate the references to chapter 514A in the Hawaii Revised Statutes sections from which they had been deleted.

Your Committees find that all of the statutory amendments proposed by the measure are of a technical housekeeping nature and are done simply to correct the types of errors noted in the title 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 S.B. No. 2401, S.D. 1, 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 Ito, Morita, Sonson, Souki and Thielen.

SCRep. 1579-08 Judiciary on S.B. No. 2399

The purpose of this bill is to amend and clarify various provisions of the Hawaii Revised Statutes and Session Laws of Hawaii to correct errors and omissions and repeal obsolete or unnecessary provisions.

As affirmed by the record of votes of 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. 2399 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, Morita, Waters and Yamane.

SCRep. 1580-08 Judiciary on S.B. No. 2898

The purpose of this bill is to establish provisions to allow member states to determine the winner of a presidential election by national popular vote.

The Center for Voting and Democracy supported this bill. A concerned individual opposed this measure. The Office of Elections and National Popular Vote provided comments.

Your Committee notes that this measure is intended to make Hawaii a member of the agreement among the states to elect the President by national popular vote.

As affirmed by the record of votes of 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. 2898, 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 Morita and Pine. (Representatives McKelvey and Thielen voted no.)

SCRep. 1581-08 Judiciary on S.B. No. 3105

The purpose of this bill is to allow boards and commissions to conduct on-site inspections of locations that are related to the board's business when public attendance is not practicable, upon the concurrence of the Director of the Office of Information Practices (OIP) instead of the Attorney General.

OIP 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. 3105, 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 Ito, McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1582-08 Consumer Protection & Commerce/Judiciary on S.B. No. 2882

The purpose of this bill is to facilitate the provision of prescription medications by authorizing out-of-state mail order pharmacies to use payor-provided identification numbers in dispensing controlled substances.

AlohaCare, Hawaii Medical Service Association, Express Scripts, Inc., Medco Health Solutions, and WellPoint, Inc., testified in support of this bill. The Department of Public Safety and Longs Drug Stores opposed this measure.

Hawaii law requires the use of a patient's government-issued identification number for the dispensing of prescribed controlled substances. This bill would allow out-of-state mail order pharmacies to instead use unique patient identifiers issued by payors, insurers, or pharmacy benefit managers when dispensing controlled substances.

However, there are concerns regarding the reliability of these patient identifiers for law enforcement purposes and the uncertain effects this bill may have on Hawaii-based mail order facilities that dispense prescription drugs.

Accordingly, your Committees have amended this bill by changing its effective date to January 1, 2050, to encourage further discussion.

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. 2882, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2882, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1583-08 Health on S.B. No. 2459

The purpose of this bill is to improve access to medications and pharmacy services by authorizing the operation of remote dispensing pharmacies to dispense prescription medications.

The State Health Planning and Development Agency's Kauai County Subarea Health Planning Council, Kaiser Permanente, Waianae Coast Comprehensive Health Center, Ho'ola Lahui Hawaii, Hawaii Pharmacists Association, and several concerned individuals supported this bill. The Board of Pharmacy supported this measure with amendments. Numerous concerned individuals opposed this bill. The Hawaii Medical Service Association submitted comments.

Your Committee notes that the definition of "remote dispensing technician" contained in this bill should receive further scrutiny as it currently sets no minimum training requirements. Assurances need to be made to provide for safe handling of patient concerns and questions at a remote dispensing pharmacy (RDP).

Your Committee finds that the State needs to resolve the dual problem of access to prescription drugs and pharmacists for low-income populations. However, in some low-income areas there may be sufficient access to a pharmacy and the presence of a RDP in the same proximity to a private pharmacy may create an adverse economic impact on the private pharmacy.

Accordingly, your Committee has amended this bill by:

- (1) Limiting access to a RDP to uninsured patients; and
- (2) Allowing patients with QUEST coverage access to a RDP if there is no private pharmacy within five miles of the RDP.

While limiting the use of RDPs to uninsured patients and setting distance requirements for QUEST patients may address some of the concerns of private pharmacies regarding unfair competition from RDPs, your Committee continues to be concerned about after-hours access to a private pharmacy that may pose a barrier to a patient with drug coverage receiving medication in a timely manner. This matter should be discussed further as this bill progresses through the legislative process.

Your Committee has further amended this bill by:

- (1) Requiring RDPs to report and notify the Board of Pharmacy of where the RDPs are to be located and the operating procedures to be used by the RDPs; 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. 2459, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2459, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Cabanilla, Tokioka and Ward.

SCRep. 1584-08 Judiciary on S.B. No. 1617

The purpose of this bill is to protect the owner of an interest in real property (owner) by limiting the liability of a victim of a home invasion to an intruder who is injured or dies in the course of, or as a result of, committing any of the following on the owner's premises:

- (1) Murder in the first or second degree;
- (2) Attempted murder;
- (3) Any Class A or Class B felony;
- (4) Any felony punishable by life imprisonment;
- (5) Any other felony in which the intruder inflicts great bodily injury on any person, other than an accomplice, or in which the intruder uses a firearm; or
- (6) Any felony in which the intruder uses a dangerous or deadly weapon.

The Department of the Attorney General, Hawaii Rifle Association, Smith Taekwondo & Pro Sport Kickboxing Center, Inc., and several concerned individuals supported this bill. The Consumer Lawyers of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Restricting the effect of the limitation on liability of an owner to the case when a person who has committed a felony has actually been charged and convicted of that felony or a related felony or misdemeanor against the owner;
- (2) Restricting the scope of this measure to limitations on liability due to injury;
- (3) Deleting references to the death of the intruder; 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. 1617, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1617, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1585-08 Judiciary on S.B. No. 2301

The purpose of this bill is to authorize extended terms of imprisonment for convicted felons who inflict serious or substantial bodily injury to pregnant women in the course of committing certain specified felonies.

The Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Hawaii Right to Life, and several concerned individuals supported this bill. The Office of the Public Defender, American Civil Liberties Union, Community Alliance on Prisons, and several concerned individuals opposed this measure.

Your Committee finds that contrary to the stated finding of the Senate Committee on Judiciary and Labor in Senate Standing Committee Report No. 2571, this measure is not intended to close any perceived judicially created loophole under offenses committed against an unborn child. Your Committee finds that this measure is intended to confer special protections to pregnant women. Your Committee finds that this can be achieved by including pregnant women in the class of persons that currently includes persons with physical handicaps, the elderly, and young children, who are already protected by the extended sentencing law.

Your Committee had 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 S.B. No. 2301, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2301, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Luke, Sonson and Thielen.

SCRep. 1586-08 Judiciary on S.B. No. 2436

The purpose of this bill is to strengthen the laws against cyberbullying by including, under the offense of harassment, certain communications, including emails, that cause another person distress or disrupt the orderly conduct of any institution. This bill also makes the offense of harassment a misdemeanor, instead of a petty misdemeanor.

The Honolulu Police Department supported this bill. The Office of the Public Defender and American Civil Liberties Union of Hawaii opposed this measure. The Attorney General submitted comments.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting new provisions that, among other things:

- (1) Provide that the requirement to provide proof of financial responsibility shall not be based upon a sentence imposed for a first offense of excessive speeding;
- (2) Clarify the process by which a court advises a defendant, pleading guilty or no contest, of the immigration status consequences of the plea;
- (3) Add various offenses to the class of offenses that may be charged by written information instead of indictment or complaint;
- (4) Clarify the process by which certain offenders must submit fingerprint impressions and buccal swab samples for the purpose of forensic identification; and
- (5) Make it a Class C felony for a person to knowingly or negligently refuse or fail to provide any required blood specimens, fingerprints, or buccal swab samples for forensic identification purposes after written notice is provided to the person.

In addition, to encourage further discussion, this bill, as amended, contains an effective date of July 1, 2112, except for the provisions that add various offenses to the class of offenses that may be charged by written information, which take effect on July 1, 2111.

As affirmed by the record of votes of 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. 2436, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2436, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1587-08 Judiciary on S.B. No. 2456

The purpose of this bill is to expand the scope of, and strengthen, existing laws against harassment by including harassment through other computer communications within the offense of harassment and the offense of harassment by stalking. This bill also makes the offense of harassment, and the offense of harassment by stalking, a class C felony.

The Department of Education supported this bill. The Law Offices of Marvin S.C. Dang, LLC, supported the intent of this measure. The Office of the Public Defender and Honolulu Police Department opposed this bill. The Department of the Prosecuting Attorney for the City and County of Honolulu submitted comments.

Your Committee has amended this measure by deleting its contents and inserting provisions that establish the offense of harassment by impersonation as a petty misdemeanor.

As affirmed by the record of votes of 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. 2456, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2456, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1588-08 Judiciary on S.B. No. 2784

The purpose of this bill is to expand the powers of United States marshals and deputy marshals by authorizing them to make arrests without warrants under specific circumstances. Currently, state law grants these powers to federal customs and immigration officers.

This bill allows an on-duty marshal or deputy marshal to arrest a person who:

- (1) Commits an assault or other crime involving physical harm in the presence of the marshal or deputy marshal;
- (2) The marshal or deputy marshal has probable cause to believe committed an assault or other crime involving physical harm; or
- (3) The marshal or deputy marshal has been informed is the subject of an arrest warrant.

This bill also updates references to the U.S. Customs Service and Immigration and Naturalization Service to reflect their new designations within the federal Department of Homeland Security.

An individual testified in support of this bill. The American Civil Liberties Union 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 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. 2784, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2784, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1589-08 Judiciary on S.B. No. 2895

The purpose of this bill is to extend some of the legal protections accorded to pet animals relating to animal cruelty specifically to equine animals by making an offense involving serious bodily injury or death of an equine animal a class C felony.

The Humane Society of the United States, Hawaiian Humane Society, Kauai Humane Society, Animal Rights Hawaii, and several concerned individuals supported this bill.

Your Committee has amended this bill by:

- (1) Including a definition of "equine animals;"
- (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 S.B. No. 2895, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2895, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morita and Pine. (Representative Sonson voted no.)

SCRep. 1590-08 Judiciary on S.B. No. 3182

The purpose of this bill is to protect good samaritans by subjecting to the extended sentencing laws a person who in the course of committing or attempting to commit a crime inflicts serious bodily injury to a good samaritan. This bill defines "good samaritan" to mean a

person who, whether through justifiable use of force, contacting proper authorities, or other lawful means, renders or attempts to render emergency assistance or care in good faith and without compensation for the protection of another person from the commission or attempted commission by the defendant of any of the following crimes: murder, manslaughter, certain felony sexual offenses, robbery, felonious assault, burglary, or kidnapping.

The Honolulu Police Department supported this bill. The Department of the Prosecuting Attorney for the City and County of Honolulu supported this bill with amendments. The Attorney General supported the intent of this measure. The Office of the Public Defender opposed this bill.

Your Committee has amended this measure by:

- (1) Deleting the crime of burglary from the list of crimes under the definition of "good samaritan"; and
- (2) 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 S.B. No. 3182, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3182, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1591-08 Judiciary on S.B. No. 3200

The purpose of this measure is to establish provisions authorizing the Attorney General (AG) to retain an attorney to represent a state department, including the Legislature and Judiciary, in the event that the AG discloses a conflict and the department does not waive the conflict.

The Judiciary and Office of the Auditor supported this bill. The AG opposed this measure.

Your Committee has amended this bill by:

- (1) Deleting provisions that would have allowed state departments to waive the AG's conflict;
- (2) Requiring the AG to retain an attorney to provide representation to a court or judicial office upon the request of the Chief Justice or designee, or to a legislative office upon the joint request of the Speaker of the House and President of the Senate, if the AG declines to provide representation because of a conflict of interest;
- (3) Removing provisions that would have amended the definition of "department" to include the Legislature and the Judiciary; 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. 3200, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3200, 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, Sonson, Souki and Pine. (Representatives Marumoto and Thielen voted no.)

SCRep. 1592-08 Consumer Protection & Commerce on S.B. No. 2258

The purpose of this bill is to improve the operations of the Wireless Enhanced 911 Board (Board) by eliminating:

- (1) The options of voting and establishing a quorum for the Board by proxy; and
- (2) The requirement that a quorum of the Board include a minimum number of representatives from wireless providers and public safety answering points.

The Department of Accounting and General Services 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 S.B. No. 2258, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Evans, Ito, Morita, Sonson and Souki.

SCRep. 1593-08 Judiciary on S.B. No. 2499

The purpose of this bill is to facilitate the establishment of kalo as the official state plant by making Act 36, Session Laws of Hawaii 2007 effective only upon the completion of community dialogue with Native Hawaiians, students from all islands, and those who identify themselves as Hawaiians, to be completed by the Department of Education through its existing curriculum.

The Office of Hawaiian affairs testified in support of this bill, with amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2499, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1594-08 Consumer Protection & Commerce on S.B. No. 2169

The purpose of this bill is to expand Hawaii's liquor industry by establishing a winery class of liquor license.

Wine The Experience and several concerned individuals testified in support of this bill.

Your Committee has amended this bill by:

- (1) Eliminating the winery license provision that authorizes the licensee to sell intoxicating liquor, purchased from licensed manufacturers and wholesale dealers, to consumers for consumption on the winery licensee's premises that is a standard bar or a premises providing live entertainment or recorded music; and
- (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. 2169, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2169, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Evans, Ito, Morita, Sonson and Souki.

SCRep. 1595-08 Judiciary on S.B. No. 2080

The purpose of this bill is to ensure the safety of our students in the public schools by requiring the Hawaii Teacher Standards Board (HTSB) to revoke a teacher's license when the teacher has been convicted of certain sexual offenses against a minor.

The Department of Education, HTSB, and Hawaii State Teachers Association supported this bill.

Your Committee acknowledges that a teacher lawfully convicted of a sexual offense should not, as a general matter, be allowed to continue to maintain a teacher's license. However, without certain procedural safeguards to allow for cases of mistaken identity, wrongful conviction, or other extenuating circumstances, the method for automatic revocation of a license provided by this measure would fail to pass constitutional muster.

Accordingly, your Committee has amended this bill by:

- (1) Allowing for the automatic suspension, not revocation, of a teacher's license upon conviction of any of those sexual offenses within the scope of Hawaii's sexual offender registry law;
- (2) Providing that upon a teacher's suspension, HTSB is to initiate proceedings for revocation of the teacher's license;
- (3) Ensuring a teacher's right to seek reconsideration of the suspension or revocation of licensure; 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. 2080, 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. 2080, S.D. 2, H.D. 2.

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

SCRep. 1596-08 Judiciary on S.B. No. 2373

The purpose of this bill is to further prevent illegal drug activity by requiring pharmacies and retailers to maintain an electronic log of sales of pseudoephedrine and related products and transmit the information to the Department of Public Safety (DPS) Narcotics Enforcement Division on a monthly basis.

The Office of the Lieutenant Governor, DPS, Honolulu Police Department, Gordon Thomas Honeywell Governmental Affairs, and Hawaii Substance Abuse Coalition testified in support of this bill. Longs Drug Stores supported the intent of this measure. The American Civil Liberties Union of Hawaii and a concerned individual opposed this bill. The Hawaii Food Industry Association and Retail Merchants of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Clarifying the recording requirements for pseudoephedrine sales, including:

- (A) Deleting the requirement that a unique number associated with the identification provided by the individual obtaining the controlled substance, be recorded; and
- (B) Stating that, other than what is specified, no other information is to be required of the individual obtaining the controlled substance;
- (2) Clarifying that the information should be recorded on an electronic worksheet; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2373, 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. 2373, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Luke, Morita and Pine.

SCRep. 1597-08 Labor & Public Employment on H.R. No. 106

The purpose of this resolution is to request that the University of Hawaii conduct a study of the feasibility of establishing a construction advisory body to monitor the local economy and assist the Governor and the Executive Branch in initiating capital improvement program projects during economic downturns to stabilize the Hawaii economy.

Hawaii Building and construction Trades council, AFL-CIO and The Pacific Resource Partnership are in support of this resolution. University of Hawaii testified in support of this measure but suggested that the State Department of Business, Economic Development and Tourism would be a more appropriate body to conduct the study.

Your Committee agrees with University of Hawaii and amended this measure by:

- (1) Removing any mention of "University of Hawaii" and inserting "State Department of Business, Economic Development and Tourism".

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. 106, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 106, H.D. 1.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1598-08 Labor & Public Employment on H.C.R. No. 124

The purpose of this resolution is to request that the University of Hawaii conduct a study of the feasibility of establishing a construction advisory body to monitor the local economy and assist the Governor and the Executive Branch in initiating capital improvement program projects during economic downturns to stabilize the Hawaii economy.

Hawaii Building and construction Trades council, AFL-CIO and The Pacific Resource Partnership are in support of this resolution. University of Hawaii testified in support of this measure but suggested that the State Department of Business, Economic Development and Tourism would be a more appropriate body to conduct the study.

Your Committee agrees with University of Hawaii and amended this measure by:

- (1) Removing any mention of "University of Hawaii" and inserting "State Department of Business, Economic Development and Tourism".

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. 124, as amended herein, and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1599-08 Labor & Public Employment on H.C.R. No. 230

The purpose of this concurrent resolution is to honor and remember the many contributions the labor movement made to the way of life we all enjoy, especially in Hawaii, by recognizing the week of September 1, 2008, to September 7, 2008, as "Hawaii Labor History Week."

The Hawaii Government Employees Association, ILWU Local 142, Laborers' Union Local 368, Hawaii State Teachers Association, Hawaii Building and Trades Council, AFL-CIO, and a concerned individual testified in support of this measure. The Department of Education (DOE) supported the measure with an amendment.

Labor has played a large role in shaping the way people live throughout the United States. This is especially true in Hawaii, where labor worked to develop Hawaii both as a territory and a state. Labor also served as the beginnings of Hawaii's multicultural society, as many laborers came to our shores from different nations, learning to work, play, and live together. Unfortunately, many of the contributions labor has

made to our current way of life are taken for granted and oftentimes go unrecognized or are forgotten as the older generations pass on. Recognizing one week in September as "Hawaii Labor History Week" will allow younger generations to be taught about the contributions of labor to Hawaii and will allow for these accomplishments to live forever in people's memories.

Your Committee finds that this measure, as written, specifies that the week of recognition would only apply to 2008. Moreover, your Committee has been notified that DOE does have some history of labor as part of its curriculum. Accordingly, your Committee has amended this measure by:

- (1) Removing references to the year 2008 in its title and provisions when noting the week recognized as "Hawaii Labor History Week"; and
- (2) Clarifying that labor history is taught in social studies curricula used by some teachers at DOE.

Other technical, nonsubstantive amendments were 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 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 Har, Luke, McKelvey, Nakasone, Takumi and Pine.

SCRep. 1600-08 Judiciary on S.B. No. 2997

The purpose of this bill is to ensure the long-term availability of visually, culturally, and historically valuable lands, such as the pineapple fields of the Galbraith Trust located north of Wahiawa, Oahu, by:

- (1) Allowing the designation of certain agricultural lands as historic agricultural landmarks by law based on their special historic, cultural, and visual value to the state;
- (2) Providing incentives for designation as historic agricultural landmarks similar to the proposed incentives for important agricultural lands under section 205-46, Hawaii Revised Statutes; and
- (3) Designating certain Galbraith Trust lands as a historic agricultural landmark.

The Office of Planning supported the intent of this bill. The Land Use Research Foundation of Hawaii, Hawaii Association of REALTORS, and the George Galbraith Estate opposed this measure. The Department of Land and Natural Resources, City and County of Honolulu Department of Planning and Permitting, Alexander and Baldwin, Inc., Hawaiian Commercial & Sugar Company, and Kauai Coffee Company, Inc., 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. 2997, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1601-08 Judiciary on S.B. No. 2054

The purpose of this bill is to guide the courts when awarding custody and visitation rights in disputes over a minor child. This bill clarifies the existing standards followed by the courts by providing criteria to help determine what constitutes the best interest of the child.

VOICES and several concerned individuals supported this bill. The Hawaii State Coalition Against Domestic Violence supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Deleting the reference to the psychological adjustment of a parent in the criteria to be used in determining the best interests of the child, which is not otherwise described in 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2054, 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. 2054, S.D. 2, H.D. 2.

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

SCRep. 1602-08 Judiciary on S.B. No. 2730

The purpose of this bill is to establish a preference for certain relatives, including hanai relatives, for out-of-home placement of children involved in child protective proceedings.

The Department of Human Services (DHS), Catholic Charities Hawaii, Kokua Council, Legal Aid Society of Hawaii, Partners in Development Foundation, and many concerned individuals supported this bill. Na Tutu, Grandparents Raising Grandchildren supported the intent of this measure.

Your Committee understands that temporary placement of a child with a relative or other person who is familiar with the child's family and circumstances may be better for the child than placement in foster care with persons unfamiliar to the child. However, there are concerns that while foster parents are licensed and have undergone extensive pre-screening, relatives and other persons close to the child may need to undergo a similar level of in-depth screening prior to receiving placement.

Your Committee has amended this bill by:

- (1) Clarifying the definition of "relative" to include a determination by the court or DHS that the person is willing and able to safely provide support to the child;
- (2) Clarifying the definition of "hanai relative" to mean a person who performs or has performed a substantial role in the child's upbringing or material support, and that the court or DHS has deemed credible, a written or oral attestation to these circumstances;
- (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 S.B. No. 2730, 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. 2730, S.D. 2, H.D. 2.

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

SCRep. 1603-08 Judiciary on S.B. No. 2886

The purpose of this bill is to deter acts of child abandonment by:

- (1) Establishing the offense of "abandonment of a child in the second degree" and making it a misdemeanor to abandon a child by leaving the child with a person in reckless disregard of the risk that:
 - (A) Proof of the other person's existence cannot be confirmed or validated through Social Security or other similar types of records; or
 - (B) The person that the child is left with cannot be located or found;
 and
- (2) Renaming the existing offense of "abandonment of a child" as "abandonment of a child in the first degree" and increasing the offense to a Class C felony.

The Children's Alliance of Hawaii testified in support of this bill. The Office of the Public Defender and Honolulu Police Department opposed this measure.

Your Committee has amended this measure by:

- (1) Deleting the provision establishing the offense of "abandonment of a child in the second degree";
- (2) Deleting language renaming the existing offense of "abandonment of a child" as "abandonment of a child in the first degree" and increasing the offense to a Class C felony;
- (3) Inserting language that includes as abandonment of a child, leaving a child with another person knowing that the person either cannot prove the other person's identity through official records such as a birth certificate, school diploma, court documents, employment applications, Social Security records, or documents proving next of kin; or subsequently will not be able to locate or find the other person; 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. 2886, 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. 2886, S.D. 1, H.D. 2.

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

SCRep. 1604-08 Judiciary on S.B. No. 2867

The purpose of this bill is to deter offerors and subcontractors from using false information to be awarded a procurement contract by providing that false information knowingly placed in a procurement bid:

- (1) Is a basis for rejection of the bid; and
- (2) May result in debarment or suspension, and shall result in a one year mandatory suspension from being considered for procurement awards.

The Department of Accounting and General Services supported the intent of this bill. The General Contractors Association of Hawaii opposed this measure.

Your Committee has amended this bill by:

- (1) Prohibiting the Chief Procurement Officer from delegating authority to resolve protested solicitations and awards; 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. 2867, 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. 2867, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1605-08 Judiciary on S.B. No. 2825

The purpose of this bill is to improve compliance with and administration of the procurement code by:

- (1) Allowing the Administrator of the State Procurement Office to determine the corrective actions to be taken by procurement officers; and
- (2) Providing that procurement officers who fail to comply with the administrator's determination of corrective action within 30 days of issuance of the determination are subject to an administrative fine for each day of noncompliance.

The State Procurement Office supported this bill. The Department of Accounting and General Services opposed this measure.

Your Committee amended this bill by:

- (1) Specifying that the administrative fine for noncompliance applies to executive branch procurement officers other than within the University of Hawaii, Department of Education, and Hawaii Health Systems Corporation; and
- (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. 2825, 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. 2825, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Souki, Yamane, Yamashita, Pine and Thielen. (Representative Marumoto voted no.)

SCRep. 1606-08 Finance on S.B. No. 2082

The purpose of this bill is to ensure the safety and well-being of female inmates currently housed on the mainland who will return to Hawaii by requiring the Department of Public Safety (DPS) to develop a plan by January 1, 2009, to ensure successful reentry into the community for female inmates returning from the mainland.

The Community Alliance on Prisons, Maui Economic Opportunity, Inc.'s Being Empowered and Safe Together Reintegration Program, the Drug Policy Forum of Hawaii, and several concerned individuals supported this bill. DPS commented 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 S.B. No. 2082, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1607-08 Finance on S.B. No. 2088

The purpose of this bill is to expand Hawaii's aviation industry by allowing businesses engaged in advanced flight simulator training for pilots, dispatchers, mechanics, or air traffic controllers, to qualify for the general excise tax exemption and tax credit under the State Enterprise Zones law.

Honolulu Community College, Global Aeronautics LLC, Alteon Training LLC, Mauna Loa Helicopters, and a concerned individual testified in support of this bill. The Department of Business, Economic Development & Tourism, Department of Taxation, Tax Foundation of Hawaii, 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 S.B. No. 2088, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Magaoay, Nakasone, Meyer, Pine and Ward.

SCRep. 1608-08 Finance on S.B. No. 2493

The purpose of this bill is to fund:

- (1) All collective bargaining 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 and several concerned individuals testified in support of this bill. The Department of Education, Department of Budget and Finance, and Office of Collective Bargaining testified in opposition to this measure. The Department of the Attorney General 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. 2493, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1609-08 Finance on S.B. No. 2583

The purpose of this bill is to support the Hawaii State Art Museum (Museum) by:

- (1) Establishing a temporary Hawaii Capital Cultural District Task Force to review the current operations of the Museum and its long-range plans for operations and growth; and
- (2) Appropriating an unspecified sum for this purpose.

The Department of Accounting and General Services and the State Foundation on Culture and the Arts 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. 2583, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1610-08 Finance on S.B. No. 2783

The purpose of this bill is to promote efforts to protect against natural disasters by, among other things:

- (1) Requiring the Insurance Commissioner to develop criteria for earthquake resistive devices;
- (2) Requiring the Insurance Commissioner to provide grants for earthquake resistive devices, subject to the availability of funds, upon meeting certain standards;
- (3) Including earthquake resistive devices in the Loss Mitigation Grant Program (Program);
- (4) Appropriating funds for the Program;
- (5) Extending the Program for three years;
- (6) Increasing grant reimbursement amounts for wind resistive devices;
- (7) Appropriating funds for a testing facility to test safe room designs and other wind resistant devices;
- (8) Requiring the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA) to develop a public awareness campaign on hazard mitigation;
- (9) Requiring the State and each county to incorporate planning for natural hazards in land development processes;
- (10) Requiring and appropriating funds for the Department of Civil and Environmental Engineering of the University of Hawaii (UH) College of Engineering, in collaboration with the Social Science Research Institute of the UH College of Social

Sciences, to prepare a strategic planning report on the feasibility of establishing comprehensive natural disaster hazard mapping for the State of Hawaii; and

- (11) Requiring the Insurance Commissioner to submit a report to the Legislature on the feasibility of converting the Hawaii Hurricane Relief Fund program into a natural disaster relief program.

The Structural Engineers Association of Hawaii, Hawaii Lumber Products Association, Loss Mitigation Ad Hoc Group, Simpson Strong-Tie Company, Inc., and several concerned individuals supported this bill. The Hawaii Association of REALTORS supported the intent of this measure. DCCA opposed this bill. A concerned individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1611-08 Finance on S.B. No. 3227

The purpose of this bill is to improve, develop, and modernize the State's commercial harbors by:

- (1) Establishing the Harbors Modernization Group (Group) as a subgroup of the Aloha Tower Development Corporation (ATDC) Board of Directors to implement specific harbor projects that constitute the Commercial Harbors Modernization Plan;
- (2) Authorizing the Department of Transportation (DOT) to issue revenue bonds and appropriating an unspecified amount of bond funds to finance these harbor improvements;
- (3) Extending the term from 35 years to 70 years for the disposition of public lands for maritime and maritime-related operations;
- (4) Transferring jurisdiction over Hana harbor, except for its small boat ramp facility, from Department of Land and Natural Resources to DOT;
- (5) Authorizing DOT to issue revenue bonds to finance improvements at the Hana pier;
- (6) Repealing the Group on June 30, 2016; and
- (7) Providing that any moneys or funds under the management of the Group when the Group is repealed be deposited into DOT's harbor special fund.

DOT, ATDC, Maui County Farm Bureau, The Chamber of Commerce of Hawaii, Retail Marchants of Hawaii, and Hawaii Harbor Users Group testified in support of this bill. DLNR 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. 3227, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1612-08 Finance on S.B. No. 3087

The purpose of this bill is to strengthen enforcement of Hawaii's Public Works Law by requiring the Director of the Department of Labor and Industrial Relations (DLIR) to immediately suspend any contractor who interferes with or delays an investigation from working on any public works project for three years.

DLIR, the Laborers' Union Local 368, Hawaii Building and Construction Trades Council, AFL-CIO, Building Industry Association of Hawaii, Hawaii Carpenters Union, Pacific Resource Partnership, Hidano Construction, Inc., and Associated Builders and Contractors of Hawaii testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3087, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1613-08 Finance on S.B. No. 2780

The purpose of this bill is to further clarify requirements for the payment of prevailing wages on public works projects by including, as a public work, construction contracts valued at \$500,000 or more between private persons using state or county land for commercial, profit-making activity.

The Laborers' Union Local 368 and Hawaii Carpenters Union testified in support of this bill. The Department of Accounting and General Services, Department of Labor and Industrial Relations, and 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 S.B. No. 2780, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1614-08 Finance on S.B. No. 2824

The purpose of this bill is to strengthen the State's procurement process by:

- (1) Requiring that the Procurement Policy Board annually perform random compliance audits on at least two governmental departments, divisions, or agencies for compliance with the Hawaii Public Procurement Code (Code) and also performs audits based on patterns of noncompliance or indications of circumventing the law; and
- (2) Requiring the Auditor to conduct a compliance, performance, and management audit of the State Procurement Office and the purchasing agencies of the Executive Branch to determine compliance with the Code.

The Department of Accounting and General Services testified in opposition to 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. 2824, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Nakasone and Pine. (Representatives Meyer and Ward voted no.)

SCRep. 1615-08 Finance on S.B. No. 868

The purpose of this bill is to allow a board or commission, rather than a head of a department, to communicate directly with the Legislature or a legislative committee at the request of the Legislature or the legislative committee.

Kokua Council, AARP Hawaii, the Policy Advisory Board for Elder Affairs, and several concerned individuals supported this bill. The Office of the Governor, Department of Land and Natural Resources, 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 S.B. No. 868, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine. (Representative Meyer voted no.)

SCRep. 1616-08 Finance on S.B. No. 2163

The purpose of this bill is to better align Hawaii's teacher licensure requirements with the criteria of the No Child Left Behind Act, as they relate to highly qualified teachers. Specifically, this bill:

- (1) Allows individuals to be employed by the Department of Education (DOE) on an emergency basis for no more than three, rather than four, years; and
- (2) Requires unlicensed individuals who have been hired on an emergency basis prior to July 1, 2008, to attain licensure no later than four years from the date of their employment.

DOE 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 S.B. No. 2163, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1617-08 Finance on S.B. No. 2191

The purpose of this bill is to promote the public health and safety by requiring the Public Utilities Commission (PUC) to conduct a statewide study focusing on one priority region per county where utility lines are prone to falling or damage, for the purpose of developing a plan, in consultation with utilities and communities, to place overhead utility lines underground.

The Consumer Advocate and PUC provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2191, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1618-08 Finance on S.B. No. 2315

The purpose of this bill is to recognize a reciprocal insurer and its attorney-in-fact as a single entity that qualifies for the general excise tax exemption for insurers.

The Department of Commerce and Consumer Affairs and Property Casualty Insurers Association of America testified in support of this bill. The Department of Taxation, Tax Foundation of Hawaii, Medical Insurance Exchange of California, and Medical Underwriters of California 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. 2315, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Carroll, Magaoay, Nakasone, Meyer, Pine and Ward.

SCRep. 1619-08 Finance on S.B. No. 2977

The purpose of this bill is to bring the Child Support Enforcement Agency (CSEA) into compliance with federal law and improve CSEA actions. Specifically, this bill:

- (1) Clarifies, in accordance with federal law, the requirements for notice to custodial parents of state income tax refund setoffs;
- (2) Creates another assistant administrator position within CSEA to develop and implement comprehensive planning and policy;
- (3) Allows CSEA, on its own behalf, to request a hearing, instead of having to wait for one of the parties to make a request;
- (4) Allows CSEA to sign proposed administrative orders when no request for a hearing is received by CSEA; and
- (5) Transfers two personnel employed by the Family Support Division of the County of Kauai to the Department of the Attorney General (AG).

The AG 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. 2977, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1620-08 Finance on S.B. No. 3051

The purpose of this bill is to authorize the Department of Human Services (DHS) or its designee to conduct criminal history record checks on those providing services to vulnerable adults and children.

DHS, the Office of Youth Services, Disability and Communication Access Board, and National Association of Social Workers – Hawaii Chapter 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. 3051, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1621-08 Finance on S.B. No. 3061

The purpose of this bill is to conform state law to current federal law by replacing references to the Aid to Families with Dependent Children and the Job Opportunities and Basic Skills Act with the correct references under the federal Temporary Assistance for Needy Families law. This bill also incorporates work activity participation requirements in current federal regulations.

The Department of Human 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 S.B. No. 3061, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1622-08 Finance on S.B. No. 3258

The purpose of this bill is to work toward addressing Hawaii's long-term care needs by:

- (1) Establishing guidelines for Medicaid reimbursement to:
 - (A) Hospitals for patients who are waitlisted for long-term care; and
 - (B) Long-term care facilities for patients with medically complex conditions who were previously receiving care in an acute care hospital;
 and
- (2) Appropriating funds for increased Medicaid reimbursements to hospitals and facilities with long-term care beds.

The Hawaii Disability Rights Center, Policy Advisory Board for Elder Affairs, Hawaii Pacific Health, Healthcare Association of Hawaii, Hawaii Long Term Care Association, Queen's Medical Center, and Kaiser Permanente Hawaii supported this bill. The Department of Human Services opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3258, S.D. 3, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1623-08 Finance on S.B. No. 1793

The purpose of this bill is to streamline the operations of the Natural Energy Laboratory of Hawaii Authority (NELHA) by exempting NELHA from certain administrative requirements. These exemptions allow NELHA to:

- (1) Communicate directly with the Governor and Legislature, instead of through the Department of Business, Economic Development, and Tourism (DBEDT);
- (2) Make all decisions regarding employment without the approval of DBEDT and in compliance with all applicable laws; and
- (3) Purchase supplies, equipment, and furniture without the approval of DBEDT.

The Hawaii Aquaculture Association 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1793, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1624-08 Finance on S.B. No. 2891

The purpose of this bill is to appropriate funds to continue the support of the Pacific International Space Center for Exploration Systems.

The University of Hawaii at Hilo, Colorado School of Mines, SpacePartnerships.com, Japan-United States Science, Technology & Space Applications Program, Boeing Company, JAMSS America, Inc., and several concerned individuals supported this bill. The Department of Business, Economic Development, and Tourism provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2891, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward.

SCRep. 1625-08 Finance on S.B. No. 2579

The purpose of this bill is to improve campaign spending laws by:

- (1) Establishing fines and procedures for failing to file required campaign spending reports or for filing substantially defective or deficient reports;
- (2) Provide that administrative fines imposed under the campaign contributions subpart of Chapter 11, Hawaii Revised Statutes, shall be deposited into the general fund instead of the Hawaii Election Campaign Fund (Fund); and
- (3) Increasing from \$2 to \$3 the amount that may be paid to the Fund from the income tax check-off contained on the state income tax return form.

The Campaign Spending Commission and League of Women Voters of Hawaii supported this bill. The Department of Taxation 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. 2579, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1626-08 Judiciary on S.B. No. 2345

The purpose of this bill is to ease the fear and stress children may experience when visiting a parent at correctional facilities by establishing a Bill of Rights for Children of Incarcerated Parents.

The Community Alliance on Prisons, Drug Policy Forum of Hawaii, Hawaii Youth Services Network, and several concerned individuals supported this bill. The Department of Public Safety testified in opposition to this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2345, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1627-08 Judiciary on S.B. No. 45

The purpose of this bill is to expedite the process for reappointing current members of the Hawaii Paroling Authority by clarifying that, for the nomination of paroling authority members, only a nominee's initial appointment is subject to a recommendation by a nomination panel.

The Department of Public Safety, Hawaii Paroling Authority, and Department of the Attorney General 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. 45, 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 McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1628-08 Agriculture/Energy & Environmental Protection on H.R. No. 176

The purpose of this resolution is to address the problem of invasive species by declaring the Legislature's support for congressional action to exempt the state from federal preemption that prohibits state inspection of plants, plant products, and other biological organisms.

The Department of Agriculture, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Nature Conservancy of Hawaii, and concerned individuals testified in support 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 concur with the intent and purpose of H.R. No. 176 and recommend its adoption.

Signed by all members of the Committee except Representatives Berg, Ito, Manahan, Saiki, Wakai, Yamane, Meyer and Thielen.

SCRep. 1629-08 Agriculture/Energy & Environmental Protection on H.C.R. No. 208

The purpose of this concurrent resolution is to address the problem of invasive species by declaring the Legislature's support for congressional action to exempt the state from federal preemption that prohibits state inspection of plants, plant products, and other biological organisms.

The Department of Agriculture, Department of Land and Natural Resources, Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Nature Conservancy of Hawaii, and concerned individuals testified in support 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 concur with the intent and purpose of H.C.R. No. 208 and recommend its adoption.

Signed by all members of the Committee except Representatives Berg, Ito, Manahan, Saiki, Wakai, Yamane, Meyer and Thielen.

SCRep. 1630-08 Judiciary on H.C.R. No. 49

The purpose of this concurrent resolution is to eliminate the problems faced by legal medical marijuana cardholders of the County of Maui and to meet their medical needs by requesting the Mayor and County Council of Maui to implement various measures regarding medical marijuana in the County of Maui.

The Drug Policy Action Group, Drug Policy Forum of Hawaii, representative from the 11th representative district, and several concerned individuals testified in support of this concurrent resolution. The Department of Public Safety, Department of Agriculture, Maui County Police Department, and a member of the Maui County Council opposed this measure.

Your Committee has amended this measure by:

- (1) Changing the title to read: REQUESTING THE MAYOR AND COUNTY COUNCIL OF MAUI TO EVALUATE AND, IF LEGALLY PERMISSIBLE AND PROPER UNDER STATE LAW, TO IMPLEMENT VARIOUS MEASURES REGARDING MEDICAL MARIJUANA IN THE COUNTY OF MAUI;
- (2) Clarifying that the 90 percent of legal medical marijuana cardholders of the County of Maui who cannot meet their medical needs due to the black market is an estimated statistic;
- (3) Deleting provisions regarding:
 - (A) Criminal theft and eradication of medical marijuana plants;
 - (B) The need for a cash crop in the County of Maui;
 - (C) Federal law reform to eliminate the problems and costs caused by the prohibition of the marijuana plant; and
 - (D) The County of Maui's commitment to the protection of civil rights and civil liberties and democracy;
- (4) Requesting the Mayor and County Council of Maui to also evaluate various measures regarding medical marijuana in the County of Maui;
- (5) Clarifying that the Mayor and County Council of Maui are requested to implement those measures only if legally permissible and proper under state law;
- (6) Removing the request that the Mayor and County Council of Maui advocate for legislative change to further legalize the medical use of marijuana at the state and federal levels; 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 Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 49, H.D. 2.

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

SCRep. 1631-08 Finance on S.B. No. 1526

The purpose of this bill is to rectify the inadvertent omission of the salaries of the Administrative Director of the Courts (AD) and Deputy Administrative Director of the Courts (Deputy AD) from the salaries reviewed by the Commission on Salaries (Commission) by statutorily establishing the maximum amounts of these two salaries. Specifically, this bill establishes:

- (1) The salary of the AD at a level that is 80 percent of the salary of the Chief Justice of the Hawaii Supreme Court; and
- (2) The salary of the Deputy AD at 80 percent of the salary of the AD.

The Judiciary provided comments on this bill.

Your Committee has amended this bill by setting the salaries of the AD and Deputy AD as follows, effective July 1, 2008:

- (1) The salary of the AD shall be identical to that of the Administrative Director of the State (also known as the Governor's Chief of Staff); and
- (2) The salary of the Deputy AD shall be set at 95 percent of the salary of the AD.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1526, 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. 1526, S.D. 2, H.D. 3.

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

SCRep. 1632-08 Finance on S.B. No. 2146

The purpose of this bill is to support the activities of the Hawaii State Center for Nursing (Center) in conducting research and implementing strategies to recruit and retain nurses. This bill:

- (1) Allows the Center to continue receiving funds by extending, from July 1, 2009, to July 1, 2014, the sunset date for the deposit of certain nursing fees into the Center for Nursing Special Fund;

- (2) Requires two of the three representatives of the Hawaii Nurses' Association who sit on the advisory board of the Center to represent the professional component, and one representative to be a non-managerial staff nurse; and
- (3) Requires the Center's advisory board to submit the following reports to the Legislature prior to the 2009 Regular Session:
 - (A) An interim report on the progress and findings of the five-year longitudinal study being conducted by the Center regarding the turnover of new graduate registered nurses and best practices in nurse retention; and
 - (B) A report on funding alternatives that will enable the Center to continue its operations and services.

The University of Hawaii, Board of Nursing, the Center, Hawaii Government Employees Association, Healthcare Association of Hawaii, The Queen's Medical Center, Hawaii Pacific Health, AONE Hawaii Chapter, Community Partnerships, Prime Care Services Hawaii, Inc., and several concerned individuals supported this bill. The Hawaii Nurses Association and numerous concerned individuals opposed this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2146, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2146, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1633-08 Finance on S.B. No. 2314

The purpose of this bill is to find ways to improve the insurance marketplace by providing an exception to the anti-bundling provisions of the Insurance Code allowing mutual benefit societies to condition the issuance or renewal of health insurance policies offered to an individual or sole proprietor on the purchase of dental and vision insurance.

The Department of Commerce and Consumer Affairs, Department of the Attorney General, and State Farm Insurance Companies opposed this bill. The Hawaii Medical Service Association and Hawaii Medical Assurance Association submitted comments.

Your Committee has amended this bill by replacing its contents with the similar provisions contained in H.B. No. 2256, H.D. 2. As amended this bill:

- (1) Specifies that only mutual benefit societies with less than five percent of the market share will be exempt from the anti-bundling provisions of the Insurance Code;
- (2) Requires the Auditor to perform an analysis of the effects of this bill and submit a report to the Legislature no later than 20 days prior to the 2010 Regular Session; and
- (3) Sunsets on June 30, 2011.

These provisions have been further amended by changing the effective date to "upon approval" and 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. 2314, 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. 2314, S.D. 1, H.D. 2.

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

SCRep. 1634-08 Finance on S.B. No. 2668

The purpose of this bill is to improve the operations of the Candidate Advisory Council (Council) for the Board of Regents(BOR) of the University of Hawaii. Specifically, this bill:

- (1) Requires at least 12 BOR members to reside in the geographic areas that they represent;
- (2) Requires the Governor to notify the Council of vacancies on the BOR in a timely manner;
- (3) Requires the Council to submit names of candidates for a seat on the BOR within 60 days following a vacancy;
- (4) Clarifies the requirement for the Council's submission of names of BOR candidates to the Governor;
- (5) Makes confidential all information required by the Council regarding BOR candidates; and
- (6) Appropriates funds to establish a permanent administrative position to support the work of the Council.

The University of Hawaii Regents Candidate Advisory Council offered comments.

Your Committee has amended this bill by:

- (1) Specifying that the Governor's notification to the Council of BOR vacancies must be done in writing;
- (2) Deleting the appropriation to establish a permanent administrative position for the Council; 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. 2668, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2668, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1635-08 Finance on S.B. No. 2831

The purpose of this bill is to assist the University of Hawaii Center on Aging Research and Education (Center) in assuring the well-being of Hawaii's older adults by appropriating funds for the Center to establish faculty positions and for program expenses.

The University of Hawaii at Manoa, Kookaa Council, and a concerned individual 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. 2831, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2831, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1636-08 Finance on S.B. No. 2961

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 two new claims that have been resolved, totaling \$892,456.30; and
- (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. 2961, 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. 2961, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1637-08 Finance on S.B. No. 3006

The purpose of this bill is to streamline and clarify the business registration laws by making statutory housekeeping amendments to correct errors, ambiguities, and inconsistencies.

The Department of Commerce and Consumer Affairs 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. 3006, 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. 3006, S.D. 1, H.D. 2.

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

SCRep. 1638-08 Finance on S.B. No. 3019

The purpose of this bill is to amend certain provisions of the Insurance Code to allow insurers more flexibility in their investments, subject to certain limitations, and to update the Investment Pools law to reflect current regulatory standards.

The Department of Commerce and Consumer Affairs, Hawaii Captive Insurance Council, Hawaii Medical Service Association, Willis Management Hawaii, and Pacific Guardian Life Insurance Company, Ltd., supported this bill.

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 S.B. No. 3019, 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. 3019, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1639-08 Finance on S.B. No. 3257

The purpose of this bill is to direct the Department of Human Services (DHS) to make a presumptive determination of eligibility for Medicaid or QUEST coverage for waitlisted patients.

The Healthcare Association of Hawaii, Hawaii Disability Rights Center, Hawaii Pacific Health, Kaiser Permanente Hawaii, Queen's Medical Center, and Hawaii Business Roundtable supported this bill. DHS 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 S.B. No. 3257, 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. 3257, S.D. 3, H.D. 2.

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

SCRep. 1640-08 Finance 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.

This bill also conforms Hawaii's controlled substance schedules to changes made in federal law.

The Department of Public Safety supported 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. 1491, 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. 1491, S.D. 1, H.D. 2.

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

SCRep. 1641-08 Finance on S.B. No. 2034

The purpose of this bill is to encourage the development of efficient renewable energy systems in the state by authorizing the issuance of special purpose revenue bonds in an amount not to exceed \$20,000,000 to assist Oceanlinx Hawaii LLC with the planning, design, and construction of the hydrokinetic or ocean wave energy power generation facility off-shore of Maui.

Oceanlinx Hawaii LLC, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., supported this bill.

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 S.B. No. 2034, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2034, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1642-08 Finance on S.B. No. 2816

The purpose of this bill is to provide transportation alternatives for the residents of Maui county by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to assign priority mooring space to intra-county ferries serving Maui county; and
- (2) Exempting fuel sold for use by an intra-county ferry service from the fuel tax.

The Department of Taxation, DLNR, and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to upon its approval;
- (2) Providing that the Act shall apply to taxable years beginning after December 31, 2007; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2816, 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. 2816, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Magaoay, Nakasone, Meyer, Pine and Ward.

SCRep. 1643-08 Finance on S.B. No. 2394

The purpose of this bill is to transfer funding that was appropriated for a life sciences technology incubator in the Kakaako district of Honolulu, to the planning of a high technology park on Oahu and the development of a science and technology master plan for the State of Hawaii.

The High Technology Development Corporation testified in support of this bill. The University of Hawaii opposed this measure. The Department of Business, Economic Development, & Tourism and Hawaii Science & Technology Council offered comments.

Your Committee has amended this bill by lapsing the \$150,000 appropriation made for fiscal year 2007-2008 and increasing the appropriation for fiscal year 2008-2009 by such amount, resulting in a total appropriation of \$400,000 for fiscal year 2008-2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2394, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2394, H.D. 2.

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

SCRep. 1644-08 Finance on S.B. No. 2528

The purpose of this bill is to create a dedicated funding source for the maintenance and operating costs of Kokee State Park and Waimea Canyon State Park by:

- (1) Establishing a sub-account for these state parks within the State Parks Special Fund; and
- (2) Providing that a certain percentage of all proceeds and user fees collected at these parks be used for the repair, maintenance, and operations of these two state parks.

The Office of Hawaiian Affairs and several concerned individuals testified in support of this bill. The Department of Land and Natural Resources provided comments.

Your Committee has amended this bill by:

- (1) Specifying that the percentage of all proceeds collected from concessions, leases, and commissions, as well as other user fees, charged at or for Kokee State Park and Waimea Canyon State Park, to be deposited into the sub-account shall be 55 percent;
- (2) Changing its effective date to July 1, 2008; 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. 2528, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2528, S.D. 2, H.D. 1.

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

SCRep. 1645-08 Finance on S.B. No. 2843

The purpose of this bill is to protect Hawaii's fragile environment and encourage the recycling of electronic devices by establishing an electronic device recycling program. Among other things, this measure:

- (1) Creates a device-labeling and manufacturer registration system to identify and account for electronic devices covered by the law;
- (2) Requires manufacturers to submit a plan to the Department of Health (DOH) for approval to establish, conduct, and manage a program for the collection, transportation, and recycling of covered electronic devices sold in Hawaii;
- (3) Requires manufacturers to annually report on covered electronic devices recycled, and
- (4) Establishes the Electronic Device Recycling Fund.

The Department of Education, Kauai County Department of Public Works, and Apple, Inc., testified in support of this bill. The Information Technology Industry Council and Philips Electronics North America Corporation testified in opposition to this measure. DOH, University of Hawaii (UH), Department of Budget and Finance, Tax Foundation of Hawaii, Sierra Club Hawaii Chapter, Retail Merchants of Hawaii, AT&T, Sprint Nextel, Thomson Inc., and UH Environmental Center submitted comments.

Your Committee has amended this bill by:

- (1) Inserting an appropriation of an unspecified amount for the establishment of a electronic device recycling 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 S.B. No. 2843, 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. 2843, S.D. 2, H.D. 3.

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

SCRep. 1646-08 Finance on S.B. No. 3030

The purpose of this bill is to provide financial resources for the regulation of mixed martial arts (MMA) contests by:

- (1) Increasing the license fee imposed on gate receipts of professional MMA contests beginning in fiscal year 2009-2010;
- (2) Clarifying that the two percent fee on gross receipts from telecasts of an event includes pay-per-view telecasts and is not restricted to telecasts in Hawaii; and
- (3) Requiring each MMA promoter to pay an additional surcharge fee for fiscal years 2007-2008 and 2008-2009 to cover the cost of implementing the Mixed Martial Arts Contests Law under Chapter 440E, Hawaii Revised Statutes.

The Department of Commerce and Consumer Affairs commented on 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. 3030, 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. 3030, S.D. 2, H.D. 2.

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

SCRep. 1647-08 Finance on S.B. No. 3174

The purpose of this bill is to comprehensively address Hawaii's affordable housing shortage by:

- (1) Extending the sunset date of the 50 percent conveyance tax allocation to the Rental Housing Trust Fund (RHTF) from June 30, 2008, to June 30, 2013;
- (2) Appropriating funds for third-party review and certification of building permits for affordable housing projects;

- (3) Establishing and appropriating funds to the Self-help Housing Fund to assist with technical assistance expenditures up to \$20,000 per self-help housing unit; and
- (4) Changing the Hawaii Housing Finance and Development Corporation's (HHFDC) revenue bond ceiling from \$400,000,000 to an unspecified amount.

HHFDC, the Kauai County Housing Agency, County of Hawaii Office of Housing and Community Development, Catholic Charities Hawaii, Hawaii Island Community Development Corporation, Hawaii Family Forum, Hawaii Catholic Conference, Self-Help Housing Corporation of Hawaii, Community Alliance Partners, Kauai Habitat for Humanity, EAH Housing, Hawaii Habitat for Humanity, and several concerned individuals supported this bill. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee notes that Hawaii Habitat for Humanity requested that the bill be amended to allow the Self-Help Housing Fund to also be used for land acquisition, infrastructure, and construction. Although your Committee has not amended this measure to reflect those suggestions at this time, these suggestions should be discussed during the Committee on Conference deliberations for 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 S.B. No. 3174, 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. 3174, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1648-08 Finance on S.B. No. 3190

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), not to exceed \$35,000,000, to be issued to assist Sopogy, Inc., to plan, build, and operate a solar farm power plant on Oahu.

Sopogy, Inc., High Technology Development Corporation, and Hawaii Renewable Energy Alliance testified in support of this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2008; and
- (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. 3190, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3190, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1649-08 Finance on S.B. No. 2842

The purpose of this bill is to encourage environmental stewardship and energy-efficiency in the use of lighting products by, among other things:

- (1) Beginning in 2010, banning the sale of general purpose lights containing certain levels of hazardous substances while exempting certain high output and very high output linear fluorescent lamps, with a review of the exemption beginning in 2014;
- (2) Establishing lighting efficiency standards for general purpose lights;
- (3) Providing unspecified fines for violations of the lighting efficiency standards; and
- (4) Requiring the Department of Health (DOH) to develop a statewide recycling program for all fluorescent lamps.

Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., and Sierra Club Hawaii Chapter testified in support of this bill. DOH testified in opposition to this measure. The Department of Business, Economic Development, and Tourism provided comments.

Your Committee has amended this bill by:

- (1) Inserting an unspecified appropriation of funds for DOH to develop the statewide recycling program for all fluorescent lights;
- (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 S.B. No. 2842, 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. 2842, S.D. 2, H.D. 2.

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

SCRep. 1650-08 Finance on S.B. No. 2986

The purpose of this bill is to offer additional incentives for investment in renewable energy technologies by making the existing Renewable Energy Technologies Income Tax Credit refundable for taxpayers:

- (1) Whose adjusted gross income is equal to or less than an unspecified amount; and
- (2) Whose income is derived from state retirement benefits or pension benefits that are exempt from income taxation.

The Department of Taxation, Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company, Inc., supported this bill. The Department of Business, Economic Development, and Tourism, University of Hawaii Environmental Center, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by 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 S.B. No. 2986, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2986, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Magaoy, Nakasone, Meyer, Pine and Ward.

SCRep. 1651-08 Finance on S.B. No. 2313

The purpose of this bill is to combat insurance fraud by, among other things:

- (1) Expanding the Insurance Division's ability to investigate and prosecute insurance fraud in all lines of insurance, except workers' compensation insurance;
- (2) Expanding the scope of the criminal offense of insurance fraud, which currently applies only to the filing of claims, to include the filing of false insurance applications and fraudulent sales of insurance; and
- (3) Allowing the filing of administrative and civil insurance fraud actions.

The Hawaii Association of Health Plans, American Council of Life Insurance, Hawaii Medical Service Association, Property Casualty Insurers Association of America, State Farm Insurance Companies, and the National Association of Insurance and Financial Advisors supported this bill. The Department of Commerce and Consumer Affairs (DCCA) submitted comments.

Your Committee has amended this measure by:

- (1) Deleting existing provisions relating to the employment status of officers or employees that may be affected by this bill and, instead:
 - (A) Allowing any employee who, prior to the effective date of this bill was exempt from civil service and who may be transferred as a consequence of this bill, to retain the employee's exempt status; provided that the employee shall not be appointed to a civil service position because of this bill;
 - (B) Prohibiting any employee who is transferred as a result of this bill from suffering any loss of prior service credit, any vacation and sick leave credits previously earned, or other employee benefits or privileges as a consequence of this bill; and
 - (C) Allowing the Director of DCCA to prescribe the duties and qualifications of transferred employees and fix their salaries;
- (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. 2313, 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. 2313, S.D. 1, H.D. 2.

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

SCRep. 1652-08 Finance on S.B. No. 2652

The purpose of this bill is to ensure fair payment for substitute teachers by:

- (1) Requiring the Board of Education (BOE) to provide, and appropriating funds for, wage adjustments for substitute teachers comparable to the across-the-board wage adjustments negotiated for teachers in collective bargaining unit (5); and
- (2) Allowing BOE to adjust the hours, benefits, and other terms and conditions of employment for substitute teachers.

The Department of Education, Hawaii State Teachers Association, Hawaii Carpenters Union, Local 745, and numerous substitute teachers testified in support of this bill. Alston Hunt Floyd & Ing commented on this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision appropriating an unspecified sum for the wage adjustments provided for in 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 S.B. No. 2652, 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. 2652, S.D. 2, H.D. 2.

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

SCRep. 1653-08 Finance on S.B. No. 2663

The purpose of this bill is to assist the operations and increase the accountability of the Hawaii Teacher Standards Board (HTSB) by:

- (1) Clarifying changes to its membership and nomination process;
- (2) Appropriating an unspecified amount of funds for HTSB to coordinate an effort to create a network incorporating the teacher education institutions and the Department of Education (DOE) to support the free interchange of information valuable to all participating organizations; and
- (3) Expanding the scope of information provided by HTSB in its annual report and summary report to the Governor and Legislature.

DOE, HTSB, and the Hawaii State Teachers Association offered 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 S.B. No. 2663, 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. 2663, S.D. 2, H.D. 2.

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

SCRep. 1654-08 Finance on S.B. No. 2041

The purpose of this bill is to ensure that Hawaii's residents have continued access to quality health care and can meet the rising costs of health care by appropriating funds for the State's portion of the federal disproportionate share hospital allowance.

The Queen's Medical Center, Hawaii Pacific Health, Kaiser Permanente Hawaii, and Healthcare Association of Hawaii testified in support of this bill. The Department of Human Services provided 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 S.B. No. 2041, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2041, H.D. 1.

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

SCRep. 1655-08 Finance on S.B. No. 3074

The purpose of this measure is to appropriate emergency funds for fiscal year 2007-2008 for the collective bargaining costs of the City and County of Honolulu's emergency medical service personnel. Specifically, this measure appropriates:

- (1) \$707,539 from the State General Fund; and
- (2) \$1,100,000 from the Emergency Medical Services Special Fund.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in her Governor's Message No. 254 to the Senate, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

The Department of Health testified in support of this bill.

Your Committee amended this bill by changing the appropriation amounts as follows:

- (1) \$507,539, instead of \$707,539 from the State General Fund; and
- (2) \$1,300,000, instead of \$1,100,000, from the Emergency Medical Services Special Fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3074, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3074, S.D. 1, H.D. 1.

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

SCRep. 1656-08 Finance on S.B. No. 3076

The purpose of this bill is to authorize the Department of Health (DOH) to create permanent or temporary exempt epidemiologist positions.

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

Your Committee has amended this bill by:

- (1) Authorizing DOH to create up to two epidemiologist positions;
- (2) Requiring DOH to report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2009 on the status of creating and filling the positions; 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. 3076, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3076, H.D. 1.

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

SCRep. 1657-08 Finance on S.B. No. 3255

The purpose of this bill is to establish a long-term care commission to research what resources are necessary to meet state long-term care public policy goals and to recommend a program and funding mechanism that may provide long-term care services in the State.

The American Cancer Society, ILWU Local 142, Healthcare Association of Hawaii, Hawaii Long Term Care Association, Social Sciences Public Policy Center of the University of Hawaii at Manoa, Hawaii Pacific Health, AARP Hawaii, Kokua Council, Policy Advisory Board for Elder Affairs, and numerous concerned individuals testified in support of this bill. The State Procurement Office commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the due date for the initial report to be submitted by the long-term care commission to the Legislature to February 28, 2010, and the due date for the final report to September 30, 2010;

- (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 S.B. No. 3255, 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. 3255, S.D. 2, H.D. 2.

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

SCRep. 1658-08 Finance on S.B. No. 3009

The purpose of this bill is to enhance the regulation of money transmitters by amending the Money Transmitters Act under Chapter 489D, Hawaii Revised Statutes, to:

- (1) Change the application and licensing fees;
- (2) Enhance consumer protections;
- (3) Make clarifying amendments; and
- (4) Correct errors and omissions.

The Department of Commerce and Consumer Affairs, Money Services Round Table, and a concerned individual testified in support of this bill.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3009, 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. 3009, S.D. 2, H.D. 2.

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

SCRep. 1659-08 Finance on S.B. No. 2850

The purpose of this bill is to prevent and control the importation and spread of pests by:

- (1) Statutorily establishing the Department of Agriculture's (DOA's) Biosecurity Program (Program); and
- (2) Providing funding for the Program, and for the planning of interim and permanent joint inspection biosecurity facilities.

The Maui County Farm Bureau, Hawaii Crop Improvement Association, Sierra Club, Hawaii Chapter, Coordinating Group on Alien Pest Species, and Nature Conservancy of Hawaii supported this bill. DOA, Department of Land and Natural Resources, and the Department of Transportation submitted comments.

Your Committee has amended this measure by:

- (1) Specifying that DOA submit the required annual reports no later than twenty days prior to the convening of each regular session of the Legislature; 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. 2850, 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. 2850, S.D. 2, H.D. 2.

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

SCRep. 1660-08 Finance on S.B. No. 644

The purpose of this bill is to lessen Hawaii's dependence on fossil fuels by:

- (1) Requiring the installation of solar thermal or demand water heaters in single-family residences constructed after January 1, 2010;

- (2) Reducing the Renewable Energy Tax Credit (Tax Credit) to 20 percent, for solar thermal systems in single-family residences constructed before January 1, 2010; and
- (3) Extending the Tax Credit at 15 percent, on certain conditions, to residences constructed after January 1, 2010.

The Department of Business, Economic Development, and Tourism, Malama Kauai, Conservation Council for Hawaii, Sierra Club – Oahu, and numerous concerned individuals supported this bill. The Chamber of Commerce of Hawaii, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Hawaii Solar Energy Association, Building Industry Association of Hawaii, Gentry Homes, Ltd., HSI Mechanical, Inc., R&R Solar Supply, Land Use Research Foundation of Hawaii, and a concerned individual opposed this measure. The Department of Taxation, Tax Foundation of Hawaii, Sierra Club – Hawaii Chapter, The Gas Company, Castle and Cooke Homes Hawaii, Hawaii Renewable Energy Alliance, Windward Ahupua‘a Alliance, Life of the Land, and several concerned individuals submitted comments.

Your Committee finds that determining the best method of lessening Hawaii's dependence on fossil fuels is a complicated task with many stakeholders holding differing opinions on the right direction to take. However, in this instance, stakeholders have come together in a commendable effort to develop a compromise draft and recommend changes that will ensure specificity and clarity in this bill.

Accordingly, your Committee has amended this bill by, among other things:

- (1) Removing amendments to the solar thermal energy systems tax credit;
- (2) Deleting the exemption from the solar thermal water heater installation mandate, for cases where the solar device would not be practicable for a particular home, and also deleting the provisions allowing the installation of a demand water heater;
- (3) Requiring solar thermal water heaters installed in homes constructed after January 1, 2010, to comply with the standards of any ratepayer financed energy efficiency rebate program administered by an electric utility or public benefit fund administrator that is in effect at the time permits are issued for the home;
- (4) Requiring the Public Benefits Fund Administrator (Fund Administrator) to support compliance verification of solar thermal water heaters installed in new single-family residences after January 1, 2010;
- (5) Including as the Fund Administrator's duties the responsibilities of:
 - (A) Maintaining or improving current residential solar thermal water heating system standards (standards);
 - (B) Verifying compliance with the standards; and
 - (C) Determining the necessity for, and convening as necessary an advisory committee to review the standards;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 644, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 644, S.D. 3, H.D. 3.

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

SCRep. 1661-08 Finance on S.B. No. 3185

The purpose of this bill is to help protect women from breast and cervical cancer by making changes to the Breast and Cervical Cancer Treatment Program, including:

- (1) Changing its name to the Comprehensive Breast and Cervical Cancer Control Program (Program);
- (2) Requiring the Department of Human Services (DHS) to collaborate with the Department of Health (DOH) to provide screening, education, and outreach, regardless of a woman's eligibility for Medicaid coverage;
- (3) Requiring DHS to transfer \$150,000 from its funds to DOH for cervical and breast cancer screening, education, and outreach; and
- (4) Requiring DOH and DHS to submit an annual report to the Legislature on the expenditure of funds for the Program.

The Hawaii Chapter – American Physical Therapy Association, American Cancer Society Hawaii Pacific, Inc., and several concerned individuals supported this bill. DHS and DOH 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 S.B. No. 3185, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3185, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1662-08 Finance on S.B. No. 2779

The purpose of this bill is to clarify the type of circumstances under which the Governor, by executive order, would be allowed to suspend the statutes relating to prevailing wages and hours of public works projects.

The Department of Accounting and General Services testified in opposition to this bill. The Hawaii Carpenters Union and Laborers' Union Local 368 offered comments.

Your Committee has amended this bill by:

- (1) Specifying the statutory provisions under which the Governor may suspend the statutes relating to prevailing wages and hours of public works projects;
- (2) Deleting the requirement that the Governor's emergency proclamation contain the reference to the statute under which the emergency is being declared; and
- (3) Changing the effective date to upon its 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 S.B. No. 2779, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2779, H.D. 2.

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

SCRep. 1663-08 Finance on S.B. No. 2876

The purpose of this bill is to support workforce and economic development by allocating Reed Act moneys out of the Unemployment Trust Fund to the Hawaii and Oahu Workforce Investment Boards (WIB) to improve employer outreach and services, labor force pool expansion, and capacity building, and to fund some shared costs for the operations of the one-stop career centers within each county.

The Mayor of the County of Hawaii, County of Hawaii's Office of Housing and Community Development, Kanoiehua Industrial Area Association, Inc., Hawaii Island Workforce & Economic Development Ohana, Office of Continuing Education and Training at Hawaii Community College, Rural Development Program at Hawaii Community College, and several concerned individuals supported this bill. The Department of Labor and Industrial Relations (DLIR) submitted comments.

Your Committee notes that while this measure deals with allocations to the Hawaii and Oahu WIBs, no testimony was received from the Oahu WIB.

Your Committee has amended this bill by:

- (1) Deleting the provision allocating money to the Oahu WIB;
- (2) Appropriating \$2,000,000 to the Hawaii WIB;
- (3) Specifying that the Hawaii WIB may use a portion of the allocated moneys to reimburse DLIR for certain administrative expenses;
- (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. 2876, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2876, H.D. 2.

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

SCRep. 1664-08 Finance on S.B. No. 2273

The purpose of this bill is to:

- (1) Prohibit qualified production costs financed with state funds from being eligible for the Motion Picture, Digital Media, and Film Production Income Tax Credit (Tax Credit); and
- (2) Requiring the Department of Labor and Industrial Relations (DLIR) to establish an advisory group to conduct a study on the issues relating to the hiring practices of motion picture, digital media, and film productions in Hawaii, including ways to promote local hiring.

DLIR, the Department of Taxation, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Adding provisions to prohibit taxpayers from claiming the Tax Credit for productions that are financed by investments for which a credit has been claimed by the taxpayer as a qualified high technology business after June 30, 2008; and
- (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. 2273, 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. 2273, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Belatti, Carroll, Magaoay, Nakasone, Meyer, Pine and Ward.

SCRep. 1665-08 Finance on S.B. No. 2433

The purpose of this bill is to ensure the appropriate use of state resources by requiring the State of Hawaii Museum of Monarchy History to meet certain conditions and requirements to receive state funds.

The Friends of Iolani Palace supported 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. 2433, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2433, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward.

SCRep. 1666-08 Finance on S.B. No. 2293

The purpose of this bill is to encourage the development of more affordable housing by exempting new privately financed multi-family for-sale housing condominium developments of 75 units or more per acre developed on privately owned lands from the Hawaii Housing Finance and Development Corporation (HHFDC) shared appreciation equity program. These developments would also qualify for a reduced term of three years for the occupancy requirements and transfer restrictions under sections 201H-47 and 201H-49, Hawaii Revised Statutes.

HHFDC, Hawaiian Dredging Construction Company, Central Pacific HomeLoans, Inc., Marshall Realty, Inc., and several concerned individuals testified in support of this bill. The City and County of Honolulu Department of Planning and Permitting 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. 2293, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2293, S.D. 1, H.D. 1.

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

SCRep. 1667-08 Finance on S.B. No. 2982

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to sell reserved housing units in fee simple and to require those units to remain affordable in perpetuity.

HCDA provided comments on this bill.

Your Committee notes that the Governor has the power to issue emergency rules to address HCDAs concerns with regard to reserved housing remaining affordable in perpetuity.

Your Committee has amended this bill by removing the reference to housing sold under part III of Chapter 206E, with regard to the units remaining affordable in perpetuity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2982, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2982, H.D. 2.

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

SCRep. 1668-08 Consumer Protection & Commerce/Judiciary on S.B. No. 2896

The purpose of this bill is to address unlicensed contractor activity by, among other things:

- (1) Requiring investigators to issue citations and cease and desist orders to persons engaging in unlicensed contractor activity;
- (2) Prohibiting the resumption of work by any contractor issued a citation for operating without a license until the contractor obtains the licenses necessary to perform the work;
- (3) Providing that in addition to each day a contractor violates or fails to comply with a cease and desist order, each day's violation or failure to comply with the license requirements for contractors is deemed a separate offense; and
- (4) Increasing the fines for working without a license.

The Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Commerce and Consumer Affairs, Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Ralph S. Inouye Co., Ltd., opposed this measure. The Subcontractors Association of Hawaii provided comments.

While increasing the amounts of fines would help deter unlicensed contractor activity, there are concerns that the penalties provided by this bill are excessive.

Accordingly, your Committees have amended this bill by:

- (1) Making the following amendments to encourage further discussion:
 - (A) Changing the amounts of the fines to unspecified sums; and
 - (B) Changing the effective date to January 1, 2020;
 and
- (2) Clarifying that citations and cease and desist orders are to be issued to contractors working without a license in good standing.

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. 2896, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2896, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki and Yamane.

SCRep. 1669-08 Consumer Protection & Commerce/Judiciary on S.B. No. 3015

The purpose of this bill is to protect health insurance consumers by amending the Patient's Bill of Rights and Responsibilities Act to establish prohibited unfair or deceptive acts or practices by managed care plans.

The Department of Commerce and Consumer Affairs, Faith Action for Community Equity, Hawaii Coalition for Health, and a concerned individual testified in support of this bill. The Hawaii Medical Service Association provided comments.

Your Committees find that this bill will enhance the Insurance Commissioner's ability to address health insurance consumer grievances through administrative action.

Your Committees have amended this bill by:

- (1) Changing its effective date to January 1, 2009, to give managed care plans time to comply with the new provisions; and
- (2) 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 S.B. No. 3015, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 3015, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Morita, Sonson, Souki and Yamane.

SCRep. 1670-08 Labor & Public Employment on S.B. No. 2449

The purpose of this bill is to repeal all statutory provisions relating to the probationary period for first-time teachers, principals, and vice-principals of the Department of Education (DOE).

The DOE and Hawaii State Teachers Association (HSTA) testified in support of this bill.

Repealing statutorily established probationary periods for teachers, principals, and vice principals and allowing these probationary periods to be negotiated through the collective bargaining process is in the best interest of all parties involved. Your Committee finds that during the last round of negotiations between DOE and HSTA, the probationary period for teachers was reduced from two years to one year through mutual agreement. Similar negotiations are currently underway with representatives of bargaining unit (6), which represents principals and vice-principals.

Your Committee has amended this bill by:

- (1) Clarifying that the purpose of this bill is to repeal the statutorily established probationary provision of employment since these probationary periods are currently being, or have already been, negotiated between DOE and HSTA, the representative for bargaining unit (5) (Teachers) and the Hawaii Government Employees Association, the representative for bargaining unit (6) (principals and vice-principals); and
- (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. 2449, 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. 2449, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Luke, Nakasone, Nishimoto, Souki, Meyer and Pine.

SCRep. 1671-08 Judiciary on S.B. No. 2782

The purpose of this bill is to deter scrap metal theft by including beer kegs in the scope of laws intended to prevent copper theft.

Anheuser Busch Companies and Miller Brewing Company testified in support of this bill. The Office of the Public Defender opposed this measure. The Department of the Attorney General and Department of the Prosecuting Attorney of the City and County of Honolulu provided comments.

Your Committee has amended this bill by:

- (1) Changing references to "stainless steel beer keg" to simply "beer keg";
- (2) Deleting metal containers whose markings have been made illegible from the definition of "beer keg"; and
- (3) Deleting language that establishes the offense of theft of a stainless steel beer keg within the offense of theft of copper, and inserting language that establishes a separate, misdemeanor offense of theft of a beer keg.

Other, technical, nonsubstantive amendments have been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2782, 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. 2782, S.D. 2, H.D. 2.

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

SCRep. 1672-08 Judiciary on S.B. No. 3092

The purpose of this bill is to protect personal information included in public records by allowing only the last four digits of a social security number to be listed on judgments, orders, or decrees recorded in the Bureau of Conveyances or Land Court.

The Department of Commerce and Consumer Affairs supported this bill. The Department of Land and Natural Resources supported this measure with an amendment. The Consumer Data Industry Association 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. 3092, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3092, S.D. 1, H.D. 1.

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

SCRep. 1673-08 Judiciary on S.B. No. 2245

The purpose of this bill is to protect the children of Hawaii by prohibiting operators and adult passengers of motor vehicles from leaving the vehicle with an unattended child inside for five minutes or more.

The Office of the Governor, Department of the Attorney General, City and County of Honolulu's Department of the Prosecuting Attorney, State Farm Mutual Automobile Insurance Company, Hot Spot, and several concerned individuals supported this bill. The Department of Human Services supported the intent of this measure. The Office of the Public Defender opposed this bill.

Your Committee has amended this bill to encourage further discussion by changing the effective dates to:

- (1) January 1, 2112, for provisions prohibiting leaving a child unattended in a vehicle for five minutes or longer; and
- (2) October 1, 2112, for provisions requiring information about penalties for leaving a child unattended in a car be placed on drivers license examinations and provided to persons renting vehicles in the state.

As affirmed by the record of votes of 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. 2245, 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. 2245, S.D. 1, H.D. 2.

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

SCRep. 1674-08 Judiciary on S.B. No. 3240

The purpose of this bill is to improve the driver licensing laws by, among other things:

- (1) Specifying that the expired driver's license of a member of the U.S. armed forces who is on active federal service and whose driver's license expired while deployed outside the U.S. shall remain valid for 90 days after the service member's return to the U.S.;
- (2) Extending the term of a license from six to eight years for persons who are 25 to 71 years of age;
- (3) Reducing the term of a license from six to four years for persons who are 19 to 24 years of age; and
- (4) Authorizing the examiner of drivers to issue a license for an unspecified, shorter period of time if the examiner determines a person's ability to drive is impaired due to a physical condition.

The Department of Transportation, City and County of Honolulu, County of Hawaii, County of Kauai, County of Maui, and a concerned individual 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. 3240, 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. 3240, S.D. 1, H.D. 2.

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

SCRep. 1675-08 Judiciary on S.B. No. 6

The purpose of this bill is to ensure the sustainability of opihi by prohibiting the sale of all Hawaiian species of edible opihi, with an exception for opihi shells of a certain size used to make curios and jewelry.

The Sierra Club, Hawaii Chapter, supported this bill. The Department of Land and Natural Resources (DLNR), Tamashiro Market, Inc., Boyd's Fish market, and numerous concerned individuals opposed this bill.

Your Committee has amended this measure by:

- (1) Changing its effective date to January 1, 2010, provided that this bill shall not take effect if DLNR adopts rules regulating the taking of opihi that come into effect before January 1, 2010; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 6, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 6, H.D. 2.

Signed by all members of the Committee except Representatives Ito, Sonson, Souki and Pine. (Representative Green voted no.)

SCRep. 1676-08 Judiciary on S.B. No. 1487

The purpose of the bill is to improve and update Hawaii's controlled substances law by conforming the laws to amendments made to federal law.

Your Committee received testimony in support of the measure from the Department of Public Safety, Hawaii Pharmacists Association, Longs Drugs, and Kaiser Permanente.

Your Committee has amended this bill by:

- (1) Deleting the provision that repeals the exemption of certain pseudoephedrine products that are in liquid, liquid capsule, or gel capsule form from pseudoephedrine sales restrictions established under section 329-75, Hawaii Revised Statutes;
- (2) Deleting Salvia divinorum, Salvinorin A, and Divinorin A from the list of Schedule I controlled substances;
- (3) Deleting the provisions that repeal the existing procedures for administrative inspections and warrants and establish revised procedures;
- (4) Changing its effective date to July 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 S.B. No. 1487, 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. 1487, S.D. 2, H.D. 2.

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

SCRep. 1677-08 Judiciary on S.B. No. 2094

The purpose of this bill is to streamline driver licensing by permitting the examiner of drivers to waive the test of knowledge of highway signs and the rules of the road for applicants who are at least 18 years of age and who possess a valid driver's license from another state or from certain other jurisdictions.

The Department of Transportation, City and County of Honolulu, County of Hawaii, County of Kauai, and County of Maui supported this bill.

Your Committee has amended this measure by providing that the provisions of this bill, which amend section 286-108, Hawaii Revised Statutes, shall not be repealed when section 286-108 is reenacted on January 9, 2011, by Act 72, Session Laws of Hawaii 2005.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2094, 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. 2094, S.D. 2, H.D. 2.

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

SCRep. 1678-08 Judiciary on S.B. No. 2170

The purpose of this bill is to enable the State and counties to limit governmental liability for injuries caused by dangerous natural conditions on or near public beach parks by including public beach parks in the definition of "improved public lands."

The Department of the Attorney General, County of Hawaii, Hawaii County Council, City and County of Honolulu, and Hawaii State Association of Counties testified in support of this bill. The County of Kauai supported the intent of this measure. The Consumer Lawyers of Hawaii opposed this bill.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2011; and
- (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. 2170, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2170, S.D. 1, H.D. 1.

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

SCRep. 1679-08 Judiciary on S.B. No. 2212

The purpose of this bill is to protect minors by strengthening the laws prohibiting sexual exploitation of a minor and certain activities associated with human trafficking.

The Attorney General, Crime Victim Compensation Commission, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Sex Abuse Treatment Center, Hawaii Family Forum, Hawaii Catholic Conference, Safe Zone Foundation, Girl Fest Hawaii, Soroptimist International of Central Oahu, and a concerned individual supported this bill. The Office of the Public Defender did not support this bill. The Domestic Violence Action Center submitted comments.

Upon further consideration and in light of testimony submitted during the public hearing, your Committee has amended this measure by:

- (1) Deleting the provisions that establish the offense of sexual exploitation of a minor, including any statutory references to this offense;
- (2) Deleting the provision that adds the offense of promoting prostitution in the first degree to the list of violent crimes for which compensation may be required to be provided to victims and their dependents; 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. 2212, 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. 2212, S.D. 1, H.D. 2.

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

SCRep. 1680-08 Judiciary on S.B. No. 2263

The purpose of this bill is to require the University of Hawaii Board of Regents to publicly disclose certain information in open meetings, including:

- (1) Information regarding compensation offered to newly hired employees;
- (2) Changes in compensation offered to existing employees for executive/managerial positions in the University of Hawaii System filled by excluded employees; and
- (3) All budgetary expenditures made by the board of regents.

The University of Hawaii Professional Assembly supported this bill. The University of Hawaii and the Office of Information Practices opposed this measure.

Your Committee has amended this measure by:

- (1) Deleting the section proposing an amendment to Chapter 92, Hawaii Revised Statutes, otherwise known as the "Sunshine Law," based on the written testimony and oral confirmation of the director of the Office of Information Practices that revision to that chapter is unnecessary to effectuate the purposes of this measure; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2263, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2263, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Ito, McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1681-08 Judiciary on S.B. No. 2900

The purpose of this bill is to clarify jurisdiction over public streets and highways, the ownership of which is in dispute between the State and county. Specifically, this bill:

- (1) Authorizes any county to enforce laws and rules applicable to the use of these public streets and highways without claiming their ownership; and
- (2) Ensures that the general public retains the right to use these public streets and highways to access the shoreline and other public recreational areas.

The Kauai Group of the Hawaii Chapter of the Sierra Club testified in support of this bill. The Office of Hawaiian Affairs supported the intent of this measure.

Your Committee has amended this bill by:

- (1) Specifying that the bill applies to public streets, roads, and highways;
- (2) Authorizing any county to repair and provide maintenance of these public streets, roads, or highways without claiming their ownership; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2900, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2900, S.D. 1, H.D. 1.

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

SCRep. 1682-08 Judiciary on S.B. No. 3050

The purpose of this bill is to require caregivers, social workers, and certain advocacy service providers to report suspected abuse of a dependent adult to the Department of Human Services (DHS).

DHS, State Council on Developmental Disabilities, and Hawaii Disability Rights Center submitted testimony in support of this measure. Christian Science Committee on Publication for Hawaii submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that DHS may receive oral reports of suspected abuse, pursuant to federal law, with or without the consent of the dependent adult or the dependent adult's guardian;
- (2) Clarifying that this bill applies to licensed social workers and certain non-licensed social workers employed in social worker positions; and
- (3) Making technical, non-substantive 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. 3050, 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. 3050, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives McKelvey, Souki, Yamane, Yamashita, Pine and Thielen.

SCRep. 1683-08 Finance on S.B. No. 3008

The purpose of this bill is to streamline and update the Code of Financial Institutions to improve the regulation of financial institutions in Hawaii by the Department of Commerce and Consumer Affairs (DCCA). Among other things, this measure:

- (1) Requires financial services loan companies to conspicuously display their licenses;
- (2) Addresses temporary closures of Hawaii financial institutions during emergencies;
- (3) Clarifies the authority of a person to serve as a trustee or trust company;
- (4) Clarifies how prepayment penalties are calculated;
- (5) Clarifies when the Commissioner of Financial Institutions may examine a financial institution holding company; and
- (6) Places a Hawaii-licensed foreign bank on equal footing with a Hawaii state-chartered financial institution when relocating its place of business less than a mile from its existing location.

The Hawaii Financial Services Association testified in support of this bill. DCCA 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. 3008, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3008, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward.

SCRep. 1684-08 Finance on S.B. No. 3252

The purpose of this bill is to address the teacher shortage crisis in the state and improve teacher recruitment and retention by, among other things:

- (1) Appropriating funds for public school teachers to take preparatory courses, tutorials, or programs for the PRAXIS examinations to become highly qualified under the No Child Left Behind Act (NCLB);
- (2) Providing teachers with full service credit for prior teaching experience up to a maximum of 10 years when determining the classification of a teacher hired to teach in a hard-to-fill school, a shortage area category, or other shortage area, and any teacher who meets all the requirements of NCLB;

- (3) Providing full service credit equal to the teacher's total number of years of teaching experience for national board certified teachers;
- (4) Appropriating funds to establish professional development schools for Hawaii public school teachers;
- (5) Specifying that schools that were selected previously shall receive first consideration for the allocation of funds for professional development schools;
- (6) Appropriating funds to complex areas for academic coaches, teacher professional development, and other programs or initiatives to improve teacher retention;
- (7) Establishing a teacher housing allowance program to provide housing assistance to teachers;
- (8) Appropriating funds for the Hawaii Teacher Cadet Program for its efforts toward recruiting and developing future teachers for Hawaii public schools; and
- (9) Appropriating funds for the Statewide Teacher Induction program within the Department of Education (DOE).

DOE, the Hawaii Teachers Standards Board, Hawaii State Teachers Association, Hawaii Educational Policy Center, and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Providing that DOE determine complex area funding allocations to ensure that complex area plans are consistent with state-level initiatives and meet or exceed DOE standards for high quality coaching, professional development, and teacher retention;
- (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. 3252, 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. 3252, S.D. 2, H.D. 2.

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

SCRep. 1685-08 Finance on S.B. No. 2768

The purpose of this bill is to ensure quality health care on the island of Maui by authorizing the issuance of \$150,000,000 in revenue bonds for a Heart, Brain, and Vascular Center at the Maui Memorial Medical Center.

The Maui Memorial Medical Center and Healthcare Association of Hawaii supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2768, S.D. 2, H.D. 1.

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

SCRep. 1686-08 Finance on S.B. No. 2857

The purpose of this bill is to ensure standards of quality for the growing home care industry by:

- (1) Requiring home care agencies to be licensed by the Department of Health (DOH); and
- (2) Appropriating funds for a position in DOH to assist with licensure and monitoring of home care agencies.

DOH and the Healthcare Association of Hawaii supported this bill. The Department of Human Services (DHS) submitted comments.

Your Committee has amended this bill by:

- (1) Clarifying that the exemption from home care agency licensure applies to a home- or community-based service provided under the jurisdiction of DHS, rather than an agency or entity that provides services;

- (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. 2857, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2857, S.D. 2, H.D. 1.

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

SCRep. 1687-08 Finance on S.B. No. 2196

The purpose of this bill is to authorize the Board of Land and Natural Resources to regulate commercially permitted uses of both governmental and private boating facilities as well as commercial activities in private marinas that are not already regulated by the State.

Ocean Tourism Coalition and several concerned individuals supported this bill. The Department of Land and Natural Resources opposed this measure.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2196, 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. 2196, S.D. 2, H.D. 2.

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

SCRep. 1688-08 Finance on S.B. No. 2644

The purpose of this bill is to improve state historic preservation efforts by requiring that a State Historic Preservation Officer appointed by the Governor meet the standards established by the United States Secretary of the Interior and have professional experience related to historic preservation in Hawaii. In addition, this bill requires the Governor to immediately advise the President of the Senate and the Speaker of the House of Representatives of the appointed individual and the appointee's qualifications.

The Office of Hawaiian Affairs, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Society for Hawaiian Archaeology, and a concerned individual supported this bill. The Department of Land and Natural Resources opposed this measure.

Your Committee has amended this bill by:

- (1) Providing that the professional qualifications standards may be satisfied by either the State Historic Preservation Officer or the Deputy Historic Preservation Officer; 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. 2644, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2644, S.D. 1, H.D. 1.

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

SCRep. 1689-08 Finance on S.B. No. 3206

The purpose of this bill is to ensure continued community participation in the preservation, protection, and future vision for Kawainui Marsh by:

- (1) Establishing the Kawainui Marsh Advisory Council (Advisory Council);
- (2) Requiring the Advisory Council to:
 - (A) Assist in the updating of the 1994 Kawai Nui Marsh Master Plan (Master Plan);
 - (B) Facilitate implementation of the Master Plan;
 - (C) Enhance community education and awareness of Kawainui Marsh; and
 - (D) Participate in the protection and preservation of Kawainui Marsh's natural and cultural resources;
- and
- (3) Appropriating funds for the Advisory Council.

The Office of Hawaiian Affairs and Windward Ahupuaa Alliance supported this bill. The Hawaiian Audubon Society opposed this measure. The Department of Land and Natural Resources (DLNR), City and County of Honolulu Department of Facility Maintenance, 'Ahahui Malama i ka Lokahi, Ho'olaulima Ia Kawai Nui, and Kawai Nui Heritage Foundation provided comments.

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

- (1) Changing the membership of the Advisory Council to seven voting members who each represent one strategic area listed below and to be selected from a list submitted by designated organizations:
 - (A) Education;
 - (B) Cultural resource;
 - (C) Environmental;
 - (D) Native animals;
 - (E) Native plants and ecosystems;
 - (F) Business/landowner; and
 - (G) Traditional Hawaiian permaculture;
- (2) Requiring the ex-officio student representative to be selected by the Windward District Kailua/Kalaheo Complex Office, rather than a high school council;
- (3) Providing that the organizations designated to submit a list of names for selection as Advisory Council members have 90 days after July 1, 2008, to submit the lists;
- (4) Requiring, rather than recommending consideration of, the Hamakua wetlands in the revision of the Master Plan;
- (5) Requiring the DLNR to consult regularly with the Ho'olaulima Ia Kawai Nui community networking organization to coordinate, review, and assess the progress of programs and efforts to maintain the natural, cultural, and scenic resources of Kawainui Marsh;
- (6) Requiring that final submittals to the Board of Land and Natural Resources pertaining to Kawainui Marsh incorporate the Advisory Council's comments on DLNR's draft submittals;
- (7) Requiring DLNR and the Advisory Council to submit an annual report to the Legislature on the status of the review and implementation of the Master Plan, including an account of public moneys expended and necessary to complete and implement the Master Plan;
- (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. 3206, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3206, S.D. 2, H.D. 1.

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

SCRep. 1690-08 Finance on S.B. No. 988

The purpose of this bill is to encourage the use of renewable energy by authorizing the Public Utilities Commission (PUC) to establish a ratepayer-funded photovoltaic rebate program (rebate program) upon evaluating the costs and benefits of a rebate program and determining that a rebate program is in the public interest.

PUC, Hawaii Renewable Energy Alliance, Sierra Club Hawaii Chapter, Hawaii Solar Energy Association, Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, Island Pacific Energy, LLC, Suntech Hawaii, and ProVision Technologies, Inc., supported this bill.

Your Committee has amended this measure by:

- (1) Clarifying that rules to implement the rebate program be adopted pursuant to the provisions of the Administrative Procedures law; 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. 988, 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. 988, S.D. 2, H.D. 3.

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

SCRep. 1691-08 Finance on S.B. No. 3215

The purpose of this bill is to provide incentives for the production of biodiesel in the state. This bill, among other things:

- (1) Allows the Board of Land and Natural Resources (BLNR) to lease, by direct negotiation and without recourse to public auction, public agricultural lands to eligible lessees growing crops suitable for conversion into biodiesel fuel;
- (2) Establishes, for use in state vehicles with diesel engines, a preference for biodiesel blends that contain up to 20 percent biodiesel produced in the state from feedstock grown in the state;
- (3) Requires the Department of Agriculture's (DOAs) Energy Feedstock Program to support market development for biodiesel feedstock by:
 - (A) Purchasing certain biodiesel feedstock crops grown in the state, capped at an unspecified amount;
 - (B) Purchasing certain biodiesel fuel and biodiesel fuel blends produced in the state, capped at an unspecified amount; and
 - (C) Determining the disposition of biodiesel feedstock crops and biodiesel fuel and biodiesel fuel blends purchased under the feedstock program;
- (4) Specifies that the annual reports to the Legislature required under the Energy Feedstock Program be submitted at least 20 days prior to the convening of each regular session, and mandates certain information to be included in the reports; and
- (5) Establishes an income tax exclusion of an unspecified amount for income derived from an oil seed crushing facility that processes oil seed produced or grown in the state for biodiesel production in the state.

The Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Maui Tomorrow Foundation, Inc., and several concerned individuals supported this bill. DOA, Department of Land and Natural Resources, Department of Taxation, Tax Foundation of Hawaii, and Pacific Biodiesel, Inc., submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provisions that amend the Energy Feedstock Program;
- (2) Revising the biodiesel preference provisions in the Procurement Code by:
 - (A) Expanding the preference for biodiesel blends that contain up to 20 percent biodiesel produced in the state from feedstock grown in the state by deleting the condition that the biodiesel blend be used for state vehicles with diesel engines;
 - (B) Specifying that, when purchasing fuel for use in diesel engines, the preference shall be 50 cents per gallon of 20 percent biodiesel (B20), 25 cents per gallon of ten percent biodiesel (B10), and 12 1/2 cents per gallon of five percent biodiesel (B5); provided that the preference shall be applied only to the biodiesel portion of the blend; and
 - (C) Specifying that, when purchasing fuel for use in boilers, the preference shall be 50 cents per gallon of 20 percent biodiesel (B20), 25 cents per gallon of ten percent biodiesel (B10), and 12 1/2 cents per gallon of five percent biodiesel (B5); provided that the preference shall be applied only to the biofuel portion of the blend;

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. 3215, 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. 3215, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Magaoy, Nakasone, Meyer, Pine and Ward.

SCRep. 1692-08 Finance on S.B. No. 2933

The purpose of this bill is to reduce the use of clothes dryers which operate on electricity and encourage the use of clotheslines, which make use of sun and wind, two renewable resources, by:

- (1) Prohibiting contracts and other binding agreements from precluding the erecting and use of clotheslines on the premises of a single-family residential dwelling; and

- (2) Prohibiting rules on the placement of clotheslines from being unduly or unreasonably restrictive.

Sierra Club - Hawaii Chapter supported this bill.

Your Committee has amended this bill by:

- (1) Defining solar energy devices to include clotheslines;
- (2) Clarifying that the use of clotheslines do not qualify for the renewable energy technology tax credit;
- (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. 2933, 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. 2933, S.D. 2, H.D. 2.

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

SCRep. 1693-08 Finance on S.B. No. 2262

The purpose of this bill is to ensure the continuous provision of health benefits for teachers belonging to bargaining unit (5), as well as future retirees of that bargaining unit, and existing retirees who participate in the Voluntary Employees' Beneficiary Association (VEBA) Trust by:

- (1) Providing any retiree who, prior to July 1, 2008, declined the option to transfer from participation in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to VEBA, a final one-time option to transfer participation; and
- (2) Making VEBA a permanent program through the repeal of its sunset date of July 1, 2009.

The Hawaii State Teachers Association (HSTA), HSTA – Retired Oahu District, and several concerned individuals supported this bill. The Department of Budget and Finance, Department of Human Resources Development, Administrator of the Hawaii Employer-Union Health Benefits Trust Fund, and a concerned individual opposed this measure. The Department of the Attorney General, Hawaii Government Employees Association, and HSTA – Member Benefits Corporation submitted comments.

Your Committee has amended this bill by:

- (1) Reinstating the sunset date and extending it by one year to July 1, 2010;
- (2) Changing its effective date to July 1, 2059, 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. 2262, 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. 2262, S.D. 1, H.D. 2.

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

SCRep. 1694-08 Finance on S.B. No. 2150

The purpose of this bill is to protect adults who are vulnerable and unable to fully care for themselves by expanding the types of abuse from which vulnerable adults are protected and expanding the authority to investigate allegations of abuse, neglect, and financial exploitation.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Healthcare Association of Hawaii, National Association of Social Workers – Hawaii Chapter, and Catholic Charities Hawaii supported this bill. The Department of Human Services 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. 2150, 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. 2150, S.D. 2, H.D. 2.

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

SCRep. 1695-08 Finance on S.B. No. 2083

The purpose of this bill is to improve the operation and effectiveness of the State Council for Interstate Adult Offender Supervision (Council) by:

- (1) Increasing the membership of the Council;
- (2) Authorizing the Judiciary to assess a fee on applications made by a parolee or probationer for a transfer out of Hawaii; and
- (3) Establishing one full-time coordinator position under the Judiciary, to help carry out the duties of the Interstate Compact for the Supervision of Adult Offenders.

The Judiciary and Hawaii Paroling Authority supported this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision that statutorily establishes the full-time coordinator position for the supervision of adult offenders authorized to be appointed by the Judiciary;
- (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 S.B. No. 2083, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2083, S.D. 2, H.D. 1.

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

SCRep. 1696-08 Finance on S.B. No. 2720

The purpose of this bill is to support the operations and duties of the State Fire Council by authorizing the establishment of the positions of an administrator and an administrative assistant.

The State Fire Council, Honolulu Fire Department, and Kauai Fire Department supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2720, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2720, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward.

SCRep. 1697-08 Judiciary on S.B. No. 1891

The purpose of this bill is to protect Hawaii's public lands by establishing criminal penalties for violations of Chapter 171, Hawaii Revised Statutes, relating to management and disposition of public lands.

The Department of Land and Natural Resources and Windward Ahupua'a Alliance supported this bill.

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 S.B. No. 1891, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1891, S.D. 1, H.D. 1.

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

SCRep. 1698-08 Judiciary on S.B. No. 2341

The purpose of this bill is to improve transparency and accountability of certain private prisons and other out-of-state prisons by establishing that;

- (1) Each nongovernmental entity contracting with the State to incarcerate or detain state prisoners or detainees in a privately owned prison or other out-of-state detention facility shall have the same duty to release information under Hawaii's Sunshine Law as is required of the Department of Public Safety (DPS); and
- (2) Any party aggrieved by a violation of the duty shall have the same remedies against the nongovernmental entity as is available against government agencies under the Sunshine Law.

The American Civil Liberties Union of Hawaii, Community Alliance on Prisons, Drug Policy Action Group, Drug Policy Forum of Hawaii, Hawaii Government Employees Association, and a concerned individual supported this bill. The Office of Information Practices supported the intent of this bill. DPS opposed this measure. The Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Specifying that contracts that provide for the incarceration or detention of state prisoners or detainees in a privately owned prison or other out-of-state detention facility shall require the contractor to provide access to the same information as is required of DPS under the Sunshine Law;
- (2) Specifying that remedies for the failure of contractors to provide information required under the Sunshine Law shall be provided for by contract and shall include at least the remedies against the nongovernmental entity as is provided for against governmental agencies under the Sunshine Law;
- (3) Codifying the provisions of this bill under the Corrections law;
- (4) Changing its effective date to July 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 S.B. No. 2341, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2341, S.D. 1, H.D. 1.

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

SCRep. 1699-08 Energy & Environmental Protection/Judiciary on S.B. No. 2808

The purpose of this measure is to clarify proposed actions that will be exempt from the preparation of an environmental assessment.

Specifically, this measure exempts the following proposed actions from the preparation of an environmental assessment:

- (1) Certain projects that involve the use of state or county lands or the expenditure of state or county funds if such use or expenditure is limited to an existing public street, road, or highway for an easement, drainage, waterlines, access improvements, utility right of way, or the like; and
- (2) Certain projects that involve a modification or disposal of highway access rights or use, occupancy, or work within a public highway right-of-way to serve private development outside the highway right-of-way.

Upon further consideration, your Committee proposed an H.D.1 that would replace this measure's contents with amendments to clarify the role of the Office of Environmental Quality Control to determine which agency has the responsibility of preparing an environmental assessment when two or more agencies have jurisdiction over a proposed action. The proposed H.D.1 also would make technical clarifications to the rulemaking powers of the Environmental Council.

Testimony in support of the proposed H.D.1 was submitted by the Department of Transportation, Office of Environmental Quality Control, the Chamber of Commerce of Hawaii, National Association of Industrial and Office Properties, General Contractors Association of Hawaii, Kaiser Permanente, Royal Contracting Co., Ltd., Building Industry Association-Hawaii, Ralph S. Inouye, Co., Ltd., The Gas Company, and one concerned individual. Testimony opposed to the proposed H.D.1 was submitted by the Office of Hawaiian Affairs and the Land Use Research Foundation of Hawaii. Comments on the proposed H.D.1 were submitted by the University of Hawaii Environmental Center and the Associated Builders and Contractors of Hawaii.

Your Committee finds that, rather than creating additional classifications of exempt actions, a more flexible and prudent approach would be to clarify the Office of Environmental Quality Control's role in determining the lead and accepting agency and to provide more clarity in resolving conflicting interpretations of the statutes and rules that address the exemption process and general chronology of the existing environmental review process. Therefore, these amendments clarify and update the existing law to be internally consistent and procedurally correct. Your Committee believes that this approach will help to resolve unintended conflicts and confusion relating to exemptions for actions that involve state or county rights-of-way and also establishes a clear process for other actions that may not be on a predetermined exemption list authorized by the Council.

Accordingly, your Committee has amended this measure by replacing its contents with amendments that:

- (1) Clarify that when two or more state or county agencies have jurisdiction, the Office of Environmental Quality Control shall determine which agency has the responsibility of preparing an environmental assessment after consultation with and assistance from the affected state or county agencies;

- (2) Clarify the rulemaking powers of the Environmental Council; and
- (3) Succinctly state the purpose of the measure.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2808, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2808, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1700-08 Judiciary on S.B. No. 1961

The purpose of this bill is to establish a new part under Chapter 804, Hawaii Revised Statutes (HRS), to provide comprehensive oversight and regulation of bail bond agents. This bill also establishes procedures for the exoneration of bail bond agents and sureties from bond liabilities and enforcement procedures against compensated sureties, bail bond agents, and bail insurance companies.

Several concerned individuals supported this bill. The Attorney General and AAA Local Bail Bonds opposed this bill. The Department of Commerce and Consumer Affairs, Department of the Prosecuting Attorney of the City and County of Honolulu, and a concerned individual submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "depositor of bail" to include stocks or other personal property under the list of items that may secure the release of a person charged with a crime or offense;
- (2) Expanding the Insurance Commissioner's rulemaking authority to include rules necessary to implement the provisions of the entire part added to Chapter 804, HRS;
- (3) Changing its effective date to January 1, 2112; 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. 1961, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1961, 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, Waters and Yamane.

SCRep. 1701-08 Judiciary on S.B. No. 2400

The purpose of this bill is to make resolution of minor criminal offenses, including traffic violations, as simple as possible for the average citizen and to ensure that police, prosecutor, and judicial resources are focused on the most serious criminal offenses.

Specifically, this bill would decriminalize a number of minor offenses that involve conduct for which, typically, only a fine is imposed and make the penalties more consistent with those now imposed for traffic infractions that have previously been decriminalized. The offenses proposed for decriminalization were identified pursuant to a process established by the Legislature in Act 124, Session Laws of Hawaii (SLH) 2005.

The Judiciary and the Department of Land and Natural Resources supported this bill. The Department of Agriculture (DOA) and City and County of Honolulu Department of the Prosecuting Attorney opposed this measure. The Attorney General and Legislative Reference Bureau (LRB) provided comments.

The DOA testified that it initially supported the measure in the course of the process by which minor offenses are identified for decriminalization pursuant to Act 124, SLH 2005. However, DOA later determined that decriminalization would adversely impact its staff resources and sought additional time to undertake a comprehensive review of its enforcement and adjudicative structure.

Your Committee recognizes that decriminalization has procedural impacts that may not have been contemplated by Act 124, SLH 2005. Specifically, while decriminalization may pave the way for reduction of court appearances by citizens, law enforcement officers, and prosecutors, it raises the question of whether a case alleging the violation of a decriminalized statute or rule will be initiated by issuance of a citation, service of a complaint, or other type of procedure. Decriminalization also raises the issue of whether the case will be adjudicated administratively by the executive department with jurisdiction or judicially, with the involvement of prosecutors or other state or county legal representatives.

Accordingly, your Committee has amended this bill by:

- (1) Deleting provisions that amended penalties for violations, because it is unclear how violations of the statutes or rules in question would be initiated, if decriminalized, and how the cases would be adjudicated;
- (2) Changing the effective date of the provisions related to agriculture and animals to July 1, 2009, to allow DOA time to conduct a comprehensive review of its enforcement and adjudicative structure; and

- (3) Amending Act 124, SLH 2005, to modify the procedure by which minor offenses are recommended for decriminalization to require the Judiciary, LRB, executive branch agencies, police, and prosecutors to address the procedural implications of decriminalizing minor offenses.

Other 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. 2400, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2400, 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, Waters and Yamane.

SCRep. 1702-08 Judiciary on S.B. No. 945

The purpose of this bill is to provide greater transparency with respect to the finances of government officials by extending financial disclosure requirements to justices and judges.

Your Committee distributed a proposed S.B. No. 945, H.D. 1 draft prior to the public hearing on this measure. The proposed draft contained ethics provisions relating to drug testing, employment of spouses, and procurement. Testimony in support of the proposed draft was submitted by a concerned individual. The Drug Policy Action Group, American Civil Liberties Union of Hawaii, and the Drug Policy Forum of Hawaii opposed the proposed draft. The Hawaii State Ethics Commission and the County of Hawaii Department of Human Resources submitted comments.

Upon further consideration and based on testimony submitted on the proposed draft, your Committee has amended this measure by deleting its contents and inserting provisions that:

- (1) Prohibit certain state officials from employing, or advocating for or promoting the employment of, immediate family members for a position over which the state official exerts supervisory authority;
- (2) Clarify existing restrictions on state contracts awarded to legislators, employees, or businesses in which a legislator or employee has a controlling interest by:
 - (A) Specifically including body corporate and public instrumentalities established by law within the scope of the restrictions; and
 - (B) Providing that no legislator, or business in which a legislator has a controlling interest, shall enter or seek to enter into any contract or multiple contracts valued at more than \$10,000 in any one-year period with any state agency, body corporate, or public instrumentality.

As affirmed by the record of votes of 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. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 945, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1703-08 Finance on S.B. No. 2840

The purpose of this bill is to support efforts to help lower income families reach economic self-sufficiency by requiring the Department of Business, Economic Development & Tourism (DBEDT) to establish and update biennially a self-sufficiency standard to reflect the costs related to the basic necessities of life.

The Hawaii Alliance for Community-Based Economic Development, Legal Aid Society of Hawaii, National Association of Social Workers, Aloha United Way, Hawaii Women Work!, and a concerned individual testified in support of this bill. DBEDT and the Department of Human Services offered comments.

Your Committee has amended this bill by:

- (1) Codifying the requirement that DBEDT report to the Legislature on the self-sufficiency standard;
- (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 S.B. No. 2840, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2840, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1704-08 Finance on S.B. No. 3068

The purpose of this bill is to continue existing adult mental health services to meet the needs of the increasing mental health population. Specifically, this measure appropriates:

- (1) \$10,250,443 in general fund monies to pay for the following:
 - (A) Services provided by the Department of Health's Adult Mental Health Division in the areas of case management, crisis services, treatment services, rehabilitation services, and housing;
 - (B) Revenue shortfall caused by a deficit in federal matching funds; and
 - (C) Higher operational costs at the Hawaii State Hospital;

and

- (2) \$1,200,000 from the Mental Health and Substance Abuse Special Fund, thereby increasing the ceiling for the fund by that amount.

The Department of Health, CARE Hawaii, Inc., Hale Na'au Pono, and NAMI Hawaii testified in support of this bill.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in Governor's Message No. 253, requested the Legislature's immediate consideration and passage of S.B. No. 3068, which makes an emergency appropriation of \$10 million to cover higher enrollment and per capita costs for the Adult Mental Health Division of the Department of Health.

Your Committee has amended this bill to conform to Governor's Message No. 253, by:

- (1) Decreasing the general fund appropriation amount to \$10,000,000;
- (2) Deleting language appropriating \$1,200,000 from the Mental Health and Substance Abuse Special Fund; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3068, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3068, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1705-08 Finance on S.B. No. 2833

The purpose of this bill is to statutorily establish the Hawaii 2050 Sustainability Plan and create and fund a sustainability council.

The Hawaii 2050 Sustainability Task Force, Department of Education, Hawaii Alliance for Community-Based Economic Development, Office of Hawaiian Affairs, City and County of Honolulu Department of Planning and Permitting, Kauai County Council, County of Kauai Office of Economic Development, Hawaii Farm Bureau Federation, Nature Conservancy of Hawaii, Chamber of Commerce of Hawaii, National Association of Social Workers – Hawaii Chapter, PAHIO Development, Inc., Hawaii Science & Technology Council, Actus Lend Lease, Cardax Pharmaceuticals, Pacific Gateway Center, Aloha United Way, Windward Ahupua'a Alliance, Associated Students of the University of Hawaii at Manoa, and many concerned individuals supported this bill. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and Pacific Resource Partnership supported the intent of this measure. Hawaii's Thousand Friends, Hawaii Building and Construction Trades Council, AFL-CIO, Land Use Research Foundation of Hawaii, and several concerned individuals opposed this bill. The Governor's Senior Policy Advisor, University of Hawaii Environmental Center, Hawaii Business Roundtable, and several concerned individuals provided comments.

Your Committee has amended this bill by replacing its contents with provisions that require:

- (1) The University of Hawaii at Manoa College of Social Sciences Public Policy Center (Public Policy Center) to review the Hawaii 2050 Sustainability Plan and develop defined data, data sources, and benchmarks for each of the major goals; and
- (2) The Public Policy Center to submit a report of its findings and recommendations, including proposed legislation, no later than 20 days prior to the convening of the Regular Session of 2010.

This bill contains an effective date of July 1, 2050, 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. 2833, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2833, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1706-08 Finance on S.B. No. 2365

The purpose of this bill is to promote increased use of fuel-efficient hybrid vehicles by Hawaii residents by allowing hybrid vehicles to use a high occupancy vehicle lane; provided that the Director of Transportation, by rule, develops a means to identify hybrid vehicles.

Your Committee provided a proposed H.D. 1 to the public prior to hearing this bill to receive feedback on the proposed H.D. 1.

The Hertz Corporation, Dollar Thrifty Automotive Group, Inc., Avis Rent A Car, and Budget Rent A Car supported the proposed H.D. 1. Enterprise Rent-A-Car Company of Hawaii, National Car Rental Company of Hawaii, and Alamo Rent-A-Car Company of Hawaii opposed the proposed H.D. 1. The Department of Transportation (DOT), Catrala – Hawaii, and Tax Foundation of Hawaii submitted comments on the proposed H.D. 1.

Your Committee has amended this bill by replacing its contents with those of the proposed S.B. No. 2365, H.D. 1, with additional revisions, to provide a dedicated source of funding to improve car rental facilities at state airports by, among other things:

- (1) Allowing DOT to establish a rental motor vehicle customer facility charge (facility charge);
- (2) Establishing the Rental Motor Vehicle Customer Facility Charge Special Fund (Special Fund) into which all proceeds from the facility charges must be deposited and used for the enhancement, renovation, operation, maintenance, and development of rental motor vehicle customer facilities at state airports;
- (3) Setting the facility charge at \$1 per day, or any portion of a day that a rental motor vehicle is rented or leased;
- (4) Providing that the facility charges will continue to be collected only until the sum of \$25,000,000 is collected and deposited into the Special Fund;
- (5) Authorizing an appropriation of \$7,000,000 out of the Special Fund for improvements, planning, and design of rental motor vehicle customer facilities at state airports;
- (6) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2365, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2365, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1707-08 Finance on S.B. No. 2879

The purpose of this bill is to protect the educational, civil, and legal rights of Hawaii's disabled population by:

- (1) Establishing a power of attorney for assisting in the development and implementation of individualized education plans for special education;
- (2) Establishing a process to appoint a surrogate decision maker for an adult student or emancipated minor student who lacks capacity; and
- (3) Clarifying the authority of a guardian of an adult or emancipated minor.

The Hawaii Maternal Child Health Leadership Education in Neurodevelopmental Disabilities and Related Disorders Program of the University of Hawaii, Special Education Advisory Council, Chapter 56/60 Community Workgroup, Family Voices of Hawaii, Hawaii Disability Rights Center, Community Children's Council Legislative Committee, and a concerned individual testified in support of this bill. The Department of Education testified in opposition to this measure. The State Council on Developmental Disabilities and The Judiciary of the State of Hawaii provided comments on this measure.

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

- (1) Replacing all references to "surrogate decision maker" with the term "educational representative";
- (2) Deleting the term "emancipated minor" and replacing it with the term "adult student";
- (3) Changing the title of the new part to read: "PART . ADULT SPECIAL EDUCATION TRANSFER OF RIGHTS FOR STUDENTS WITH DISABILITIES UPON REACHING THE AGE OF MAJORITY";
- (4) Specifying that when a student reaches the age of majority, all rights are presumed to transfer to the adult student and the adult student may then execute a power of attorney for special education;
- (5) Clarifying the procedures necessary to establish the power of attorney;
- (6) Clarifying when the authority of the agent acting on behalf of the adult student shall be effective and shall cease to be effective;

- (7) Deleting the obligations of supervising teachers before and when implementing a special education decision made for an adult student;
- (8) Deleting language providing immunities for teachers or institutions acting in good faith and in accordance with generally accepted educational standards;
- (9) Deleting the sections specifying what effects and applications the bill is intended to have;
- (10) Deleting the section providing for judicial relief for adult students;
- (11) Changing the effective date to July 1, 2050; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2879, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2879, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1708-08 Finance on S.B. No. 2342

The purpose of this bill is to ensure the safety, health, and welfare of Hawaii inmates who have been transferred to private correctional facilities on the mainland. Specifically, this bill requires the Legislative Auditor to conduct performance audits of the Saguaro Correctional Facility in Eloy, Arizona, and the Otter Creek Correctional Facility in Wheelwright, Kentucky, with each audit covering:

- (1) Various treatments and services provided to Hawaii inmates;
- (2) Facilitation of family and community connections; and
- (3) The Department of Public Safety's (DPS) execution of its statutory duties, including monitoring of private prisons, enforcement of contract provisions, and public access to contracts and monitoring reports.

The Hawaii Government Employees Association, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Ohana Hoopakele, Drug Policy Action Group, and numerous individuals testified in support of this bill. DPS testified in opposition to this measure.

Your Committee has amended this bill by:

- (1) Limiting the scope of the audit to the Saguaro Correctional Facility in Eloy, Arizona;
- (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 S.B. No. 2342, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2342, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1709-08 Finance on S.B. No. 2915

The purpose of this bill is to guide policy and prioritize research for the protection of taro by establishing the Taro Security and Purity Task Force (Task Force) and appropriating an unspecified amount for this purpose.

The Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, Maui County Farm Bureau, and several individuals testified in support of this bill. The Office of Hawaiian Affairs (OHA) and the Department of Agriculture (DOA) offered comments.

Your Committee has amended this bill by:

- (1) Adding a representative from the Department of Land and Natural Resources (DLNR) to the Task Force;
- (2) Requiring the Task Force to:
 - (A) Develop a program to provide taro education and training opportunities;
 - (B) Develop a program for commercial taro growers to maximize business viability and success;
 - (C) Develop a taro farming grant program to help preserve the cultural legacy of taro farming;

- (D) Discuss the feasibility and impact of requiring DLNR to provide reduced lease rents for taro farmers on state-leased lands; and
- (E) Develop taro research and outreach for the control and eradication of apple snails;
- (3) Requiring the Task Force to include information on actual expenditures in its report to the Legislature;
- (4) Specifying that funds shall also be used for taro research and outreach for the control and eradication of apple snails;
- (5) Designating OHA instead of DOA as the expending agency;
- (6) Allowing OHA the flexibility to determine appropriation amounts for specific Task Force activities;
- (7) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) [sic] Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2915, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2915, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1710-08 Finance on S.B. No. 1311

The purpose of this bill is to eliminate the need for the Governor to physically sign paychecks.

Your Committee distributed a proposed S.B. No. 1311, H.D. 1, prior to the public hearing on this measure and requested that testimony be submitted on the proposed S.B. No. 1311, H.D. 1.

The Office of the Governor, Department of the Attorney General, and Office of Collective Bargaining opposed this bill. The Hawaii Government Employees Association AFSCME Local 152 AFL-CIO and the League of Women Voters of Hawaii submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of the proposed S.B. No. 1311, H.D. 1. As amended, this bill prohibits the use of any appropriations for the payment of salaries of state employees who coerce, intimidate, or otherwise prevent subordinates from sharing information at legislative hearings or in response to other legislative inquiries.

However, to address concerns raised by the Attorney General your Committee clarified these provisions to ensure that punitive action not be taken if the officer or employee prevents a subordinate from sharing information by right, such as attorney-client privilege.

Your Committee has further amended this bill by:

- (1) Changing the effective date to July 1, 2059, 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. 1311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1311, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1711-08 Finance on S.B. No. 409

The purpose of this bill is to:

- (1) Minimize accidental patient injuries and deaths in hospitals; and
- (2) Ensure that patients in Hawaii receive quality health care,

by requiring health insurance providers to include in their policies medical vigilance services for covered patients who are receiving in-patient health care services at an acute-care hospital.

The Queen's Medical Center and a concerned individual supported this bill. The Hawaii Medical Services Association, Kaiser Permanente Hawaii, Healthcare Association of Hawaii, Hawaii Association of Health Plans, The Chamber of Commerce of Hawaii, Hawaii Pacific Health, and Outrigger Hotels & Resorts opposed this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee notes that the Auditor conducted a sunrise review as requested by S.C.R. No. 209, H.D. 1, C.D. 1, 2007, of the "intelligent medical vigilance" services mandated under S.B. No. 409, S.D. 1, 2007. The Auditor found that the term refers to a specific product developed for use by hospitals and concluded that an assessment of the social and financial impacts of requiring health insurers to offer coverage

would be inappropriate because the term refers to a specific, trademarked, commercial product and not health care services. The Auditor also concluded that a lack of adequate information in S.B. No. 409, S.D. 1, 2007, as required by section 23-51, HRS, made an assessment of social and financial impacts unfeasible, and therefore made no recommendations.

Your Committee has amended this bill by:

- (1) Clarifying that this bill calls for a service providing vigilant surveillance to monitor a patient's vital signs rather than a specific product; 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. 409, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 409, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward. (Representative Belatti voted no.)

SCRep. 1712-08 Water, Land, Ocean Resources & Hawaiian Affairs/Human Services & Housing on S.B. No. 2294

The purpose of this bill is to increase the reserved housing requirement for a major development on a lot of at least one acre in the mauka area of the Kakaako Community Development District.

Testimony on this bill varied. Central Pacific Bank, Central Pacific HomeLoans, Inc., Marcus & Associates, Inc., Marshall Realty, Inc., and two private citizens testified in support. The Hawaii Community Development Authority, The Gas Company, General Growth Properties, Kamehameha Schools, and Servco Pacific Inc., opposed this bill. U. Okada & Co., Ltd. requested that small properties be excluded from this bill.

The Kakaako Community Development District was envisioned as a mixed-use community of residential, commercial, industrial, and public uses. The residential development within the District is intended to encompass housing for families of various income levels. The State has invested at least \$200,000,000 in public funds for the infrastructure of the District to advance this goal. This public investment has sparked increased private investment and development plans for the area. Development projects in recent years, however, have focused primarily on luxury homes for high-income families and commercial uses.

Your Committees find that this measure is necessary to promote the development of affordable housing in the Kakaako Community Development District and achieve the mixed-use, mixed-income community that is envisioned for the District. Your Committees recognize that this measure places a burden on developers. Your Committees, however, believe that the Kakaako Community Development District is inundated with commercial uses and more emphasis should be placed on increasing the supply of affordable housing there.

Your Committees have amended this bill by deleting the S.D. 2 version and substituting the provisions of House Bill No. 2732, H.D. 1, but with the following changes:

- (1) Specifying expressly in the statutory language that this bill applies to a major development in the "Kakaako mauka area" and inserting a definition of the term as "the area of the Kakaako community development district mauka of Ala Moana Boulevard". These amendments are intended for clarification purposes since, in the S.D. 2 version, the limitation of this bill solely to the "Kakaako mauka area" is stated only in the purpose section and section heading.
- (2) Repealing the provisions in existing law that allow a developer to develop the developer's reserved housing units outside a community development district. Retained, however, is the provision allowing the developer to develop the reserved housing units on a different lot within the same community development district. These amendments are intended to maintain within the Kakaako Community Development District all reserved housing units required of a major development in the District.
- (3) Deleting the provision automatically increasing the affordable housing assessment from "25 per cent" to "35 per cent" in 2018 if Kakaako still does not have enough affordable housing in that year. This provision is not necessary. Future legislatures may increase the percentage if deemed necessary.
- (4) Making the bill effective "upon approval" rather than on "July 1, 2020".
- (5) Making other technical, clarifying, and conforming amendments.

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 S.B. No. 2294, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2294, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1713-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.B. No. 3048

The purpose of this bill is to increase the loan ceiling for agricultural and ranch operations on Hawaiian Home Lands from \$50,000 to \$200,000.

For purposes of the public hearing, your Committee circulated a proposed H.D. 1 version that deletes the provisions of the bill and inserts new language extending the maximum term of a commercial lease on Hawaiian Home Lands from 65 to 99 years, including the initial term and any extensions.

The Department of Hawaiian Home Lands (DHHL), Sovereign Councils of the Hawaiian Homelands Assembly, Waimanalo Hawaiian Homes Association, Malu'ohai Residents' Association, Building Industry Association of Hawaii, Pacific Resource Partnership, and a concerned individual supported this bill. The Waimea Homesteaders' Association, Inc., Hui Kako'o Aina Ho'opulapula, and several concerned individuals opposed this measure.

Your Committee has amended this bill by adopting the language in the proposed H.D. 1 version of the bill.

Your Committee finds that the intent of this extension is to give DHHL the flexibility to grant short term extensions of lease terms to ensure the lease is terminated under desirable conditions. However, an unconditional extension of maximum lease terms to 99 years may be contrary to this intent. Accordingly, your Committee will continue to review this issue, including the possibility of incorporating language similar to that in Chapter 171, Hawaii Revised Statutes, which provides the Board of Land and Natural Resources with the authority to modify generally applicable lease terms, subject to certain requirements.

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. 3048, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3048, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1714-08 Water, Land, Ocean Resources & Hawaiian Affairs/Agriculture on S.B. No. 546

The purpose of this bill is to balance the protection and preservation of agricultural lands with development in appropriate rural areas by, among other things:

- (1) Requiring that lands in the agricultural district be used only for the purposes of agricultural activities, agribusiness, or subsistence farming; and
- (2) Providing that lands in the rural district may be used for low density residential, outdoor recreational, and passive open space uses, and for compact, small mixed-use rural towns and service centers.

The Office of Planning supported the intent of this bill. The City and County of Honolulu Department of Planning and Permitting, a member of the Kauai County Council, Hawaii Association of REALTORS, and a concerned individual opposed this measure. The Board of Agriculture, Hawaii Farm Bureau Federation, and Sierra Club – Hawaii Chapter provided comments.

Upon careful consideration, your Committees have amended this bill by replacing its contents with the language of House Bill No. 2807, H.D. 2, which contains language providing two incentives for landowners to designate their land as important agricultural land (IAL).

One incentive is for landowners who are required to provide affordable housing as a condition of development. A landowner who designates all or a portion of their land as IAL may satisfy this affordable housing requirement on qualifying rural district lands, rather than in the urban district as typically required.

The other incentive allows for an easier boundary amendment reclassification process for landowners who designate their lands as IAL in perpetuity, by combining the petitions for designation and reclassification, provided that:

- (1) The land sought to be reclassified is within the same county as the land to be designated IAL;
- (2) Reclassification of the land is consistent with relevant county general, development, and community plans; and
- (3) The total acreage of the land sought to be reclassified is less than 20 percent of the land that is the subject of the petition.

H.B. No. 2807, H.D. 2, also seeks to protect the integrity of the agricultural lands by:

- (1) Clarifying that the farm dwellings permitted on prime agricultural lands in the agricultural district must be part of a working farm, or a farming operation necessary to the production and distribution of agricultural commodities, and not merely relating to farming and animal husbandry;
- (2) Clarifying that lands in the rural district may be used for agribusiness activities and farm worker housing, which are currently found on agricultural lands; and
- (3) Clarifying that areas that are not used for, or not suited to, agricultural and ancillary activities by reason of topography, soils, and other related characteristics, shall be in the rural district, and not the agricultural district.

Regarding the designation of IAL, H.B. No. 2807, H.D. 2, among other things:

- (1) Requires land designated as IAL, in a petition to designate IAL and reclassify other lands, at a minimum be:
 - (A) Land with soil classification as overall (master) productivity rating:

- (i) Class A or B; or
- (ii) Class C or D if the land is currently in agricultural production or could be put into productive agricultural use with the implementation of new technology or development of irrigation water;
- (B) Land with sufficient quantities of water to support viable agricultural production; and
- (C) Land that contributes to maintaining a critical land mass important to agricultural operating productivity;
- (2) Adds as a standard and criteria to be used to identify IALs, land that, although unsuited for agricultural use because of topography, must be kept together as part of the tax map key parcel; and
- (3) Requires the Land Use Commission (LUC) to grant or deny a petition to designate IAL and reclassify lands to other uses in its entirety.

Your Committees have further amended H.B. No. 2807, H.D. 2, by:

- (1) Providing that lands in the rural district shall also include:
 - (A) Low-density residential lots and residential subdivisions existing on agricultural lands before January 1, 2008;
 - (B) Areas to preserve natural landscapes, open space, and the rural character of the area; and
 - (C) Clusters of historic plantation settlements that do not function as a suburb of a major urban center;
- (2) Removing the requirement that lands designated as IAL remain IAL in perpetuity;
- (3) Allowing a landowner seeking reclassification of lands in conjunction with a petition to designate land as IAL, to reclassify to conservation land, as well as rural or urban;
- (4) Allowing a landowner who designates IAL to earn up to 20 percent of the IAL acreage in transferrable credits that can be used to reclassify other agricultural lands to other uses, to account for situations where the landowner who designates IALs may not own lands appropriate for reclassification at the time of designation of IALs;
- (5) Allowing the LUC to designate IALs in accordance with this Act before the counties submit maps of recommended IALs;
- (6) Removing from the minimum requirement of land designated as IAL, in a petition to simultaneously designate IAL and reclassify other lands, land quality based on soil classification;
- (7) Removing the requirement that the reclassification of the lands sought to be reclassified in a petition to designate IAL be consistent with relevant community plans, and requiring consistency only with county general and development plans;
- (8) Removing county authority to issue special use permits on agricultural lands; 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 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. 546, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 546, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1715-08 Finance on S.B. No. 1934

The purpose of this bill is to provide an added convenience to taxpayers who receive a refund by requiring the Department of Taxation (DOTAX) to allow an individual taxpayer to request that the taxpayer's refund be electronically deposited into more than one account at financial institutions.

Your Committee distributed a proposed S.B. No. 1934, H.D. 1, prior to the public hearing on this measure and requested that testimony be submitted on the proposed S.B. No. 1934, H.D. 1.

The National Association of Insurance and Financial Advisors, Hawaii Energy Policy Forum, and American Council of Life Insurers supported this bill. DOTAX and the Tax Foundation of Hawaii submitted comments.

Your Committee has amended this measure by deleting its contents and inserting the substance of the proposed S.B. No. 1934, H.D. 1. As amended, this bill, among other things:

- (1) Establishes a long-term care tax credit to be applied to premium payments for long-term care insurance;

- (2) Creates an incentive for small businesses to purchase long-term care insurance for their employees by providing a tax credit for the payment of their long-term care insurance premiums;
- (3) Provides a tax credit for expenses related to an organ donation;
- (4) Provides a land conservation incentives tax credit to encourage the preservation and protection of land in the state;
- (5) Provides a tax credit equal to 15 per cent of the costs of hotel renovations;
- (6) Provides a tax credit for improvements made to federally qualified health centers;
- (7) Provides an income tax and general excise tax exemption for companies that provide potable water and are exempt under Section 501(c)(12) of the Internal Revenue Code;
- (8) Makes the renewable energy technologies tax credit refundable for taxpayers with adjusted gross incomes of \$20,000 or less, or taxpayers whose taxable income is exclusively pension or state retirement income;
- (9) Repeals the attractions and educational facilities tax credit for Ko Olina Resort and Marina and Makaha Resort; and
- (10) Provides a one-time nonrefundable tax credit to assist the victims of the December 2007 flood and wind storm in upcountry Maui and other affected areas of the 12th Representative District.

This bill has been further amended 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. 1934, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1934, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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

SCRep. 1716-08 Finance on S.B. No. 2838

The purpose of this bill is to allow an individual taxpayer who files an electronic income tax return to have their income tax refund directly deposited into a maximum of three checking or savings accounts.

The Legal Aid Society of Hawaii supported this bill. The Department of Taxation (DOTAX) opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee expresses its appreciation to the Director of Taxation for his outreach efforts to assist taxpayers in low-income communities with the preparation of their tax return forms, which can be daunting. Acknowledging that this is a valuable community service, your Committee has amended this bill by requiring the Director of Taxation to continue to visit low-income communities to assist taxpayers in the preparation of tax filings.

In addition, your Committee has amended this bill by:

- (1) Changing to an unspecified number the maximum number of checking or savings accounts that may be designated by the taxpayer;
- (2) Authorizing DOTAX to modify and revise their returns and computer systems to carry out the purposes of item (1) above; 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. 2838, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2838, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1717-08 Finance on S.B. No. 2153

The purpose of this bill is to implement the provisions of Article VII, section 6, of the Hawaii Constitution for a tax refund or tax credit when the state general fund balance exceeds five percent of the general fund revenues for two successive fiscal years, by providing a one-time income tax credit in an amount set by a table according to the taxpayer's filing status and adjusted gross income amount.

The Department of Taxation and Tax Foundation of Hawaii provided comments.

Upon careful consideration, your Committee has amended this bill by replacing its contents with the language of House Bill No. 2099, H.D. 1, which:

- (1) Excludes from the tax credit, taxpayers who are claimed or otherwise eligible to be claimed as a dependent by another taxpayer for federal or Hawaii state individual income tax purposes;
- (2) Provides a tax credit amount of \$1 per resident individual taxpayer, multiplied by the number of qualified exemptions to which the taxpayer is entitled;
- (3) Specifically provides that a resident individual who has no income or no income taxable under Chapter 235, Hawaii Revised Statutes, and who is not claimed or is not otherwise eligible to be claimed as a dependent by a taxpayer for federal or Hawaii state individual income tax purposes, may claim the tax credit; and
- (4) Specifically provides that multiple exemptions shall not be granted because of age or deficiencies in vision, hearing, or other disability.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2153, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2153, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1718-08 Consumer Protection & Commerce on S.B. No. 2826

The purpose of this bill is to improve the training of government procurement officials by:

- (1) Transferring from the Department of Human Resources Development (DHRD) to the State Procurement Office (SPO), the responsibility of developing and maintaining a training and development program (Program) for state and county procurement officers; and
- (2) Making the Program mandatory for state procurement officers, as determined by SPO.

DHRD supported the intent of this bill. The Department of Accounting and General Services opposed this measure. SPO 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 S.B. No. 2826, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1719-08 Finance on S.B. No. 2004

The purpose of this bill is to assist in ensuring that children with disabilities receive appropriate special education by:

- (1) Extending from 90 days to one year the time allowed for parents or guardians or the Department of Education (DOE) to request a hearing regarding the reimbursement of costs for a child's unilateral placement in special education;
- (2) Requiring DOE to submit annual reports to the Legislature that provide the total number of requests filed by a parent or guardian of a child with a disability for a due process hearing regarding the reimbursement of costs for a child's placement; and
- (3) Requiring DOE to exercise oversight and monitoring of any child who has undergone unilateral placement in special education.

The Special Education Advisory Council, Hawaii Disability Rights Center, Autism Society of Hawaii, Autism Speaks, Hawaii Centers for Independent Living, and numerous concerned individuals supported this bill. The Attorney General and Hawaii State Teachers Association opposed this measure. DOE, the State Council on Developmental Disabilities, Community Children's Councils in Hawaii, and several concerned individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2004, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

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

SCRep. 1720-08 Finance on S.B. No. 2546

The purpose of this bill is to assist adult offenders with their reintegration back into society and offer a full continuum of services that are accessible during and immediately after their incarceration by making amendments clarifying the implementation of the law establishing a mandatory comprehensive offender reentry system under the supervision of the Department of Public Safety (PSD).

The Drug Policy Action Group and several concerned individuals testified in support of this bill. The Department of Human Services, PSD, and Community Alliance on Prisons provided 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 S.B. No. 2546, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1721-08 Finance on S.B. No. 3137

The purpose of this bill is to understand akule activity by appropriating funds for the Department of Land and Natural Resources (DLNR) to tag and monitor akule and collect and interpret data about akule movements and habits of migration from Pearl Harbor to Ka'ena Point, Oahu. This bill also requires DLNR, Division of Aquatic Resources, to increase the number of commercial catch reporting grids by splitting each of the two catch grids along the coastline between Barber's Point and Ka'ena Point.

Several concerned individuals supported this bill. DLNR opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3137, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1722-08 Finance on S.B. No. 3069

The purpose of this bill is to expedite the records disclosure process for clinical evaluative purposes while protecting a patient's privacy rights by:

- (1) Making the county police departments responsible for providing to the Director of Health (Director) certain police records of defendants who are committed to a hospital under the control of the Director or to the custody of the Director; and
- (2) Providing the defendant with an opportunity to object to the release of information.

The Department of Health and Judiciary commented 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 S.B. No. 3069, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine. (Representative Meyer voted no.)

SCRep. 1723-08 Judiciary on S.B. No. 2407

The purpose of this bill is to ensure the objectivity of real estate appraisals by prohibiting financial institutions and mortgage brokers or solicitors from improperly influencing the development, reporting, result, or review of a real estate appraisal, if compensation is affected by the appraisal.

The Hawaii Bankers Association opposed this bill. The Department of Commerce and Consumer Affairs Regulated Industries Complaints Office, Hawaii Association of REALTORS, and a concerned individual 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. 2407, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1724-08 Human Services & Housing on H.R. No. 75

The purpose of this resolution is to encourage participation in the Black Ribbon and Black Arm Band Campaign against domestic violence which urges men to show support for:

- (1) Ending men's violence against women;
- (2) Raising awareness of the problem in the community;
- (3) Conducting educational work in schools, workplaces, and communities; and
- (4) Supporting organizations that assist with the consequences of violence against women.

A concerned individual supported this resolution. The Hawaii State Coalition Against Domestic Violence and VOICES supported this measure with amendments.

Your Committee finds that domestic violence is a grave problem in Hawaii and that the State and community must work together to address its causes and devastating effects.

Your Committee has amended this resolution by:

- (1) Changing its title to read: "ENCOURAGING PARTICIPATION IN THE STATEWIDE BLACK RIBBON AND BLACK ARM BAND CAMPAIGN AGAINST DOMESTIC VIOLENCE";
- (2) Broadening its scope to urge support from men, women, youth, and seniors to end all forms of domestic violence;
- (3) Adding goals to the campaign, including empowering domestic violence victims and providing a safe haven for these victims;
- (4) Requesting that certified copies of this measure also be sent to the Governor, Director of Human Services, and Director of Health; 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 concurs with the intent and purpose of H.R. No. 75, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 75, H.D. 1.

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

SCRep. 1725-08 Human Services & Housing on H.C.R. No. 93

The purpose of this concurrent resolution is to encourage participation in the Black Ribbon and Black Arm Band Campaign against domestic violence which urges men to show support for:

- (1) Ending men's violence against women;
- (2) Raising awareness of the problem in the community;
- (3) Conducting educational work in schools, workplaces, and communities; and
- (4) Supporting organizations that assist with the consequences of violence against women.

A concerned individual supported this concurrent resolution. The Hawaii State Coalition Against Domestic Violence and VOICES supported this measure with amendments.

Your Committee finds that domestic violence is a grave problem in Hawaii and that the State and community must work together to address its causes and devastating effects.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "ENCOURAGING PARTICIPATION IN THE STATEWIDE BLACK RIBBON AND BLACK ARM BAND CAMPAIGN AGAINST DOMESTIC VIOLENCE";
- (2) Broadening its scope to urge support from men, women, youth, and seniors to end all forms of domestic violence;
- (3) Adding goals to the campaign, including empowering domestic violence victims and providing a safe haven for these victims;
- (4) Requesting that certified copies of this measure also be sent to the Governor, Director of Human Services, and Director of Health; 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 concurs with the intent and purpose of H.C.R. No. 93, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 93, H.D. 1.

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

SCRep. 1726-08 Consumer Protection & Commerce on H.C.R. No. 72

The purpose of this concurrent resolution is to request that the Governor designate an executive agency, including any and as many personnel from that agency or any other executive agency as the Governor deems necessary or appropriate to:

- (1) Research state land use laws and county zoning and subdivision ordinances to determine the extent to which they help to mitigate potential hazards caused by catastrophic disasters, including fires, flood, tidal wave, volcanic eruption, and earthquake;

- (2) Review the National Conference of Insurance Legislators' State Uniform Building Code Model Act and any other land use policies that are generally recommended for mitigating potential hazards caused by catastrophic disasters;
- (3) Research whether state or local agencies may be eligible for disaster mitigation grants, related to coordinated land use planning strategies, that are administered by the Federal Emergency Management Agency or other federal agencies;
- (4) Develop a statewide land use strategy to mitigate potential hazards caused by catastrophic disasters;
- (5) Recommend amendments to state land use laws and county zoning and subdivision ordinances that will further the proposed statewide land use strategy;
- (6) In developing a statewide land use strategy, consult with the Department of Defense, Department of Commerce and Consumer Affairs, the Department of Land and Natural Resources, Insurance Commissioner, Land Use Commission, State Fire Council, county planning departments, county civil defense agencies, and other interested stakeholders; and
- (7) Submit a report of its findings and any proposed legislation to the Legislature no later than twenty days prior to the convening of the 2010 Regular Session.

The State Department of Defense submitted testimony in support of the measure.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 72 and recommends its adoption.

Signed by all members of the Committee except Representatives McKelvey, Morita and Sonson.

SCRep. 1727-08 Consumer Protection & Commerce on H.R. No. 103

The purpose of this resolution is to request that real estate developers, designers, and architects in Hawaii are encouraged to incorporate the principles of universal design into the design of their real estate projects.

The Disability and Communication Access Board submitted testimony in support of the measure. A concerned citizen 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 concurs with the intent and purpose of H.R. No. 103 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Herkes, Ito, Morita and Marumoto.

SCRep. 1728-08 Consumer Protection & Commerce on H.C.R. No. 121

The purpose of this concurrent resolution is to request that real estate developers, designers, and architects in Hawaii are encouraged to incorporate the principles of universal design into the design of their real estate projects.

The Disability and Communication Access Board submitted testimony in support of the measure. A concerned citizen 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 concurs with the intent and purpose of H.C.R. No. 121 and recommends its adoption.

Signed by all members of the Committee except Representatives Evans, Herkes, Ito, Morita and Marumoto.

SCRep. 1729-08 Consumer Protection & Commerce/Labor & Public Employment on H.R. No. 215

The purpose of this resolution is to request that the Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives chair a working group to study the possible creation of a statutory and regulatory framework for professional employer organizations operating in Hawaii. The work group is requested to consider the following principles:

- (1) The creation of a comprehensive statutory framework for professional employer organizations based on, as appropriate, the statutory and regulatory requirements, including registration of professional employer organizations, of other states;
- (2) The preservation of ensuring the integrity of the workers' compensation system;
- (3) Recognition that workers' compensation coverage in professional employer organization arrangements should be subject to exclusive remedy protection for both the client and the professional employer organization; and
- (4) Recognition that workers' compensation coverage in professional employer organization arrangements should be addressed by state law that ensures maximum flexibility in the voluntary market as to the types of coverage permitted.

The Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives is also requested to form the working group to include a minimum of nine members, , besides the Chairperson, as follows:

- (1) One representative from Department of Commerce and Consumer Affairs, Insurance Division;
- (2) One representative from the Hawaii workers' compensation insurance community;
- (3) Two representatives from the Hawaii professional employer organization community with at least ten years of individual operating history;
- (4) One representative from a national trade association representing the professional employer organization industry; and
- (5) Four members of the legislature.

Altres, Inc., Zero Emissions Leasing LLC, and National Association of Professional Employer Organizations (NAPEO) submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 215 and recommend its adoption.

Signed by all members of the Committee except Representatives Evans, Har, Herkes, Ito, Morita, Nakasone, Takamine and Takumi.

SCRep. 1730-08 Consumer Protection & Commerce/Labor & Public Employment on H.C.R. No. 254

The purpose of this resolution is to request that the Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives chair a working group to study the possible creation of a statutory and regulatory framework for professional employer organizations operating in Hawaii. The work group is requested to consider the following principles:

- (1) The creation of a comprehensive statutory framework for professional employer organizations based on, as appropriate, the statutory and regulatory requirements, including registration of professional employer organizations, of other states;
- (2) The preservation of ensuring the integrity of the workers' compensation system;
- (3) Recognition that workers' compensation coverage in professional employer organization arrangements should be subject to exclusive remedy protection for both the client and the professional employer organization; and
- (4) Recognition that workers' compensation coverage in professional employer organization arrangements should be addressed by state law that ensures maximum flexibility in the voluntary market as to the types of coverage permitted.

The Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives is also requested to form the working group to include a minimum of nine members, besides the Chairperson, as follows:

- (1) One representative from Department of Commerce and Consumer Affairs, Insurance Division;
- (2) One representative from the Hawaii workers' compensation insurance community;
- (3) Two representatives from the Hawaii professional employer organization community with at least ten years of individual operating history;
- (4) One representative from a national trade association representing the professional employer organization industry; and
- (5) Four members of the legislature.

Altres, Inc., Zero Emissions Leasing LLC, and National Association of Professional Employer Organizations (NAPEO) submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Labor & Public Employment that are attached to this report, your Committees 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 Evans, Har, Herkes, Ito, Morita, Nakasone, Takamine and Takumi.

SCRep. 1731-08 Higher Education on H.R. No. 269

The purpose of this resolution is to ensure the safety of our kupuna and disabled in times of emergency by requesting that the University of Hawaii Natural Disaster Preparedness Training Center (NDPTC) include in its work program a component that addresses the needs of Hawaii's at-risk elderly and persons with disabilities.

The Disability and Communication Access Board and a concerned individual supported this measure. The University of Hawaii System submitted 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 concurs with the intent and purpose of H.R. No. 269, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1732-08 Higher Education on H.C.R. No. 325

The purpose of this concurrent resolution is to ensure the safety of our kupuna and disabled in times of emergency by requesting that the University of Hawaii Natural Disaster Preparedness Training Center (NDPTC) include in its work program a component that addresses the needs of Hawaii's at-risk elderly and persons with disabilities.

The Disability and Communication Access Board and a concerned individual supported this measure. The University of Hawaii System submitted 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 concurs with the intent and purpose of H.C.R. No. 325, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1733-08 Human Services & Housing on S.C.R. No. 8

The purpose of this concurrent resolution is to request the Governor to reschedule the Year of the Family celebration from 2008 to 2009.

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

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

SCRep. 1734-08 Higher Education on S.C.R. No. 75

The purpose of this concurrent resolution is to request the University of Hawaii System to conduct a study on the feasibility and potential benefits of allowing individual campuses to set appropriate levels of nonresident students or, alternatively, to investigate lifting the existing caps altogether.

The University of Hawaii System commented on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 75 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1735-08 Legislative Management on S.B. No. 2129

The purpose of this bill is to promote the well-being of elder citizens of this state by ensuring that the recommendations and positions of the Policy Advisory Board for Elder Affairs (PABEA) are disseminated unaltered and unedited. This bill authorizes PABEA to testify before the Legislature on any matter related to its duties and responsibilities.

PABEA, AARP, Kokua Council, and several individuals testified in support of this bill. The Department of Health and the Executive Office on Aging opposed this measure.

Concerns were voiced that this bill should not move out of this Committee because it is unnecessary. However, your Committee notes that this opinion differs from that of the proponents of this bill. Your Committee has amended this bill by changing the effective date to July 1, 2008.

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. 2129, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2129, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Chong. (Representative Finnegan voted no.)

SCRep. 1736-08 Finance on S.B. No. 2480

The purpose of this bill is to develop Hawaii's technology workforce by:

- (1) Establishing the Science Technology and Education Special Fund (Special Fund) within the University of Hawaii (UH) System, to hold appropriations, private contributions, and other funding for science-, technology-, engineering-, and math-related programs;

- (2) Appropriating general funds into the Special Fund to be allocated to the Robotics and Problem-based, Applied Learning Program, and the Research Experiences for Teachers Program;
- (3) Appropriating general funds to be deposited into the Hawaii 3Ts School Technology Laboratories Fund to provide matching funds for the Project Environmental and Spatial Technology program;
- (4) Appropriating general funds for science-, technology-, engineering-, and math-related programs and K-12 creative media education programs; and
- (5) Appropriating general funds for K-12 creative media programs.

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. 2480, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone and Pine.

SCRep. 1737-08 Finance on S.B. No. 2202

The purpose of this bill is to allow a candidate running for the office of prosecuting attorney to qualify for partial public campaign financing, subject to campaign expenditure limits.

The Campaign Spending Commission provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2202, H.D. 1, and recommends that it pass Third Reading.

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

SCRep. 1738-08 Finance on S.B. No. 651

The purpose of this bill is to include the use of recycling receptacles as an additional element of state energy management for which the Public-private Policy Advisory Committee under chapter 196, Hawaii Revised Statutes, shall provide input.

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 establishing a statewide At-store Plastic Carryout Bag Recycling Program (Program).

The Retail Merchants of Hawaii, Hawaii Food Industry Association, Progressive Bag Affiliates of the American Chemistry Council, Windward Ahupuaa Alliance, and Safeway, Inc., supported the proposed H.D. 2. Sierra Club – Hawaii Chapter and Sierra Club - Oahu Group opposed this measure. The Department of Health and several concerned individuals provided comments.

Your Committee has amended this bill by adopting the provisions in the proposed H.D. 2. Specifically, under the Program, this bill requires certain retailers to:

- (1) Use plastic carryout bags with a printed message asking consumers to return the plastic carryout bags to participating stores for recycling;
- (2) Provide clearly marked collection bins for consumers to return plastic carryout bags;
- (3) Maintain records of plastic carryout bag collection and recycling; and
- (4) Offer re-usable bags for sale in their stores.

Your Committee has further amended the proposed H.D. 2, by:

- (1) Providing for the repeal of the section prohibiting counties from adopting or implementing conflicting ordinances on January 1, 2011; 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. 651, 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. 651, S.D. 2, H.D. 2.

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

SCRep. 1739-08 Finance on S.B. No. 1720

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$100,000,000 to assist Jacoby Development, Inc., and its affiliate, Geoplasma LLC, a processing enterprise, with the planning, design, construction, and equipping of, and acquisition of lands for its plasma municipal solid waste processing system to convert solid waste into electricity and chemically and biologically inert slag on Oahu.

Geoplasma LLC, supported this bill. The Department of Budget and Finance and a concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Broadening the scope of the authorization to allow the solid waste processing system to be constructed in the State of Hawaii, as opposed to on Oahu;
- (2) Extending the lapse date of the authorization to June 30, 2012;
- (3) Changing the effective date to July 1, 2008; 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. 1720, 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. 1720, S.D. 1, H.D. 2.

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

SCRep. 1740-08 Finance on S.B. No. 2151

The purpose of this bill is to:

- (1) Expand the long-term care ombudsman program by adding three new local ombudsman positions, one each for the counties of Hawaii, Kauai, and Maui, and renaming the head of the Office of the Long-term Care Ombudsman the "State Long-term Care Ombudsman"; and
- (2) Delete the consent requirement for divulging the records of residents of long-term care facilities.

The Judiciary and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, supported this bill. The Executive Office on Aging 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. 2151, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2151, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Nakasone and Pine.

SCRep. 1741-08 Finance on S.B. No. 2157

The purpose of this bill is to ensure treatment for people living with pain from disease and chronic conditions by:

- (1) Amending the Patient's Bill of Rights to clarify a pain patient's right to be prescribed controlled substances to relieve pain; and
- (2) Extending the time limit in which prescriptions for schedule II controlled substances must be filled.

This bill also addresses the critical shortage of health care professionals in Hawaii by providing incentives for physicians and dentists to work in health professional shortage areas (HPSAs) of the state.

The Department of Public Safety, Healthcare Association of Hawaii, Hawaii Family Forum, Hospice Hawaii, and Longs Drugs testified in support of this bill. The Department of Budget and Finance, Department of Taxation, Department of Health, Pediatrics Residency Program, American Cancer Society Hawaii Pacific Inc., Kokua Mau, Maunalani Nursing and Rehabilitation Center, Kauai Hospice, Policy Advisory Board for Elder Affairs, Hospice of Hilo, and several concerned individuals offered comments.

Your Committee has amended this bill by:

- (1) Deleting all provisions relating to incentives for physicians and dentists to work in HPSAs of the state;
- (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 S.B. No. 2157, 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. 2157, S.D. 1, H.D. 2.

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

SCRep. 1742-08 Finance on S.B. No. 2396

The purpose of this bill is to augment an understanding of forensic patient data at the Hawaii State Hospital, and promote community-based health services for forensic patients by, among other things:

- (1) Requiring the Department of Health (DOH) to submit an annual report that, at a minimum, summarizes yearly data on forensic patients;
- (2) Requiring yearly court status hearings for individuals ordered to be conditionally released by the mental health court;
- (3) Reducing the minimum length of hospitalization from 90 to 30 days for individuals who are recommitted after conditional release; and
- (4) Appropriating funds for the operation and expansion of the mental health court.

The Department of the Attorney General, Hawaii Disability Rights Center, and a concerned individual supported this bill. DOH, the Judiciary, and Hawaii Government Employees Association submitted comments.

Your Committee has amended this bill by:

- (1) Providing that except where an individual acquitted of a felony because of physical or mental disease, disorder, or defect, has applied for conditional release or discharge within the previous year, a status hearing will be held once per year for the next four years, and then in biennial intervals thereafter;
- (2) Deleting the savings clause; 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. 2396, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2396, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward.

SCRep. 1743-08 Finance on S.B. No. 2542

The purpose of this bill is to ensure that the community health center system remains financially viable and stable in the face of the increasing needs of the population of uninsured and underinsured residents. Specifically, this bill establishes a process that enables community health centers and rural health clinics to receive supplemental Medicaid payments and seek modifications to their scope of services. In addition, this measure appropriates funds to adequately pay federally qualified community health centers for direct medical care services for the uninsured.

The Hawaii Primary Care Association, Kalihi-Palama Health Center, West Hawaii Community Health Center, Inc., Hamakua Health Center, Inc., Waikiki Health Center, Waimanalo Health Center, Hawaii Pacific Health, Kauai Health Center, and a concerned individual testified in support of this bill. The Department of Human Services and Waianae Coast Comprehensive Health Center offered comments.

Your Committee has amended this bill by:

- (1) Permitting, rather than requiring, DHS to implement the statutory provisions; and
- (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. 2542, 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. 2542, S.D. 2, H.D. 2.

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

SCRep. 1744-08 Finance on S.B. No. 2830

The purpose of this bill is to ensure the necessary community resources for caregivers by, among other things:

- (1) Extending the work of the Joint Legislative Committee on Family Caregiving to June 30, 2009, and changing its name to the Joint Legislative Committee on Aging in Place (Committee);
- (2) Expanding the Committee's scope by authorizing the exploration of aging-in-place issues as they relate to family caregiving;
- (3) Requiring the Hawaii Aging and Disability Resource Center to provide an update on the implementation of its physical site in the County of Hawaii and its virtual site in the City and County of Honolulu;
- (4) Requiring the Committee to design a cash and counseling project for non-Medicaid participants and appropriating unspecified funds for this purpose;
- (5) Authorizing the Kupuna Care Program to include emergency, overnight, and weekend respite services as well as provide grants to caregivers and for home modifications that facilitate aging in place;
- (6) Appropriating unspecified funds to the Executive Office on Aging (EOA) for the Kupuna Care Program;
- (7) Establishing a Grandparents Raising Grandchildren Task Force to focus on the needs and issues of grandparents raising grandchildren;
- (8) Appropriating unspecified funds to EOA to continue its respite-care inventory project; and
- (9) Increasing the maximum state supplemental payment from \$641.90 to \$686.83 for adult residential care homes classified as facility type I and from \$749.90 to \$802.39 for adult residential care homes classified as facility type II, and appropriating unspecified funds for this purpose.

The Association for Improved Healthcare on Maui testified in support of this bill. The Department of Human Services and EOA provided comments on this measure.

Your Committee has amended this bill by:

- (1) Extending the reporting requirement for the Committee's final report to the Legislature to twenty days prior to the convening of the Regular Session of 2010;
- (2) Extending the existence of the Committee to June 30, 2010;
- (3) Changing, to an unspecified amount, the maximum state supplemental payment for adult residential care homes classified as facility type I, licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes;
- (4) Changing, to an unspecified amount, the maximum state supplemental payment for adult residential care homes classified as facility type II;
- (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 S.B. No. 2830, 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. 2830, S.D. 2, H.D. 2.

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

SCRep. 1745-08 Finance on S.B. No. 2864

The purpose of this bill is to collect information on reimbursements for health provider services by requiring the Auditor to submit to the 2010 Legislature a report on the adequacy of health plan reimbursements to physicians and hospitals in Hawaii.

The Department of Commerce and Consumer Affairs supported this bill. The Hawaii Medical Service Association, Kaiser Permanente Hawaii, and Hawaii Medical Association 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 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. 2864, 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. 2864, S.D. 2, H.D. 2.

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

SCRep. 1746-08 Finance on S.B. No. 3080

The purpose of this bill is to help provide a safe environment in state hospitals by requiring the Hawaii Health Systems Corporation (HHSC) to develop procedures for obtaining verifiable information regarding the criminal history of employees, persons seeking employment, or current or prospective contractors, providers, or volunteers for any of the HHSC's health facilities.

HHSC and the Hawaii Government Employees Association supported this bill.

Your Committee has amended this bill by:

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3080, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3080, S.D. 1, H.D. 1.

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

SCRep. 1747-08 Finance on S.B. No. 3228

The purpose of this bill is to provide additional support for retired patient employees of Hansen's disease facilities by raising their pension amounts.

Ka 'Ohana O Kalaupapa supported 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. 3228, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3228, H.D. 1.

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

SCRep. 1748-08 Finance on S.B. No. 2785

The purpose of this bill is to increase, from \$20,000 to \$30,000, the maximum amount of debt, amount, damages, or value of the property claimed in civil actions over which district courts have jurisdiction.

A concerned individual supported this bill.

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

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2785, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2785, S.D. 1, H.D. 1.

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

SCRep. 1749-08 Finance on S.B. No. 2829

The purpose of this bill is to allow the Legislature to determine whether certain tax credits and exemptions serve their intended purposes and should be continued by:

- (1) Establishing three groups of tax credits and exemptions to be repealed on three different dates: December 31, 2010, December 31, 2011, and December 31, 2012;
- (2) Requiring the Department of Taxation (DOTAX) to evaluate the tax credits by their repeal dates, and submit reports to the Legislature in 2010, 2011, and 2012 on whether these credits should be continued, modified, or permitted to expire;
- (3) Providing that the report also contain suggestions for modifying and improving credits and exemptions, including those not recommended for continuation;
- (4) Requiring the Department of Human Services (DHS) instead of DOTAX to evaluate certain credits and exemptions and that DHS's reports be included in DOTAX's reports;
- (5) Appropriating funds for an economist, research statistician, and administrative rules specialist to assist DOTAX in performing its duties under this measure; and

- (6) Establishing a penalty for persons who cannot show a reasonable basis for a claimed tax refund or credit that exceeds the amount allowed by law.

The Hawaii Government Employees Association supported this bill. The Hawaii Housing Finance and Development Corporation, Chamber of Commerce of Hawaii, PacifiCap Group, LLC, NovaSol, Hawaii Science and Technology Council, Oceanit, Sopogy, Alexander & Baldwin, Inc., Hawaii Solar Energy Association, Hawaiian Telcom, Oceanic Institute, Twin Chimneys Entertainment LLC, Kauai Chamber of Commerce, Makai Motion Pictures LLC, Hong Kong China Hawaii Chamber of Commerce, Hawaii Renewable Energy Alliance, SunEdison, 3 Financial Group, Oceantek Inc., Ocean Network, Pacific LightNet, Kukuipahu Energy, LLC, Carbon Diversion, Inc., American Council of Life Insurers, L'amour Wedding/Bridal Salon, Oahu Ethanol Corporation, Ethanol Research Hawaii, LLC, Pacific West Energy, LLC, PreNetSys, Hawaiian Electric Company, Inc., Maui Electric Company, Hawaii Electric Light Company, Inc., and numerous concerned individuals opposed this measure.

The Hawaii Tourism Authority, DOTAX, DHS, County of Hawaii Office of Housing and Community Development, Tax Foundation of Hawaii, Military Affairs Council, Hawaii Association of REALTORS, Hawaii Film and Entertainment Board, and Zero Emissions provided comments.

Your Committee has amended this bill by:

- (1) Limiting liability for claims for tax refunds or credits in excessive amounts to claims that are at least \$5,000 in excess of what is allowed by law;
- (2) Removing the following from the repeal and evaluation requirements:
 - (A) The general excise tax exemption for public utilities, motor carriers, and contract carriers;
 - (B) The general excise tax exemption for amounts received as salaries or wages for services rendered by an employee to an employer;
 - (C) The public service company tax credit for lifeline telephone service; and
 - (D) The ethanol facility tax credit;
- (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 S.B. No. 2829, 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. 2829, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward.

SCRep. 1750-08 Finance on S.B. No. 2803

The purpose of this bill is to protect the personal information collected and maintained by state and county agencies through the implementation of the recommendations of the "Hawaii Identity Theft Task Force Report" of December 2007. Specifically, this bill:

- (1) Requires each state and county agency to designate an employee to ensure the agency's compliance with requirements relating to the security of personal information;
- (2) Establishes the Information and Privacy Security Council to be placed administratively within the Department of the Attorney General and appropriates funds for three staff analyst positions to support the Council;
- (3) Changes the effective date of Chapter 487J, Hawaii Revised Statutes, relating to social security number protection, to July 1, 2009;
- (4) Requires conditions on third party personal information use to be included in contracts between government agencies and third parties that provide support services on behalf of the agency;
- (5) Requires state and county agencies that collect, maintain, or disseminate documents with personal information to:
 - (A) Develop and implement a plan to protect the personal information; and
 - (B) Develop a written plan to eliminate unnecessary collection and use of social security numbers;
- (6) Requires state and county agencies responsible for human resource functions to develop and distribute to agencies, guidelines to minimize unauthorized access to personal information;
- (7) Requires state and government agencies to develop a written policy regarding notification of security breaches of personal information; and

- (8) Defines the terms: "government agency," "personal information," "personal information system," "records," and "security breach."

The Department of Education, Hawaii Financial Services Association, and Retail Merchants of Hawaii testified in support of this bill. The Department of the Attorney General and University of Hawaii testified in opposition to this measure. The Judiciary, Department of Human Resources Development, Department of Accounting and General Services, Department of Human Resources of the City and County of Honolulu, Department of Human Resources of the County of Hawaii, and Department of Personnel Services of the County of Maui provided comments.

Your Committee has amended this bill by:

- (1) Deleting parts VI and VII that required state and county agencies that collect, maintain, or disseminate documents with personal information to:
- (A) Develop and implement a plan to protect the personal information; and
 - (B) Develop a written plan to eliminate unnecessary collection and use of social security numbers;
- and
- (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. 2803, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2803, S.D. 1, H.D. 1.

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

SCRep. 1751-08 Finance on S.B. No. 3165

The purpose of this bill is to encourage the development of affordable housing or a community health care facility within a mixed-used transit-oriented joint development project by exempting these projects from the general excise tax.

The Hawaii Alliance for Community-Based Economic Development, Hawaii Association of REALTORS®, Hawaii Council of Associations of Apartment Owners, Transit-Oriented Community-Based Development Project, and Hawaii Independent Condominium & Cooperative Owners testified in support of this bill. The Department of Taxation opposed this measure. The Hawaii Housing Finance and Development Corporation, Department of Planning and Permitting of the City and County of Honolulu, and Tax Foundation of Hawaii offered 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 S.B. No. 3165, 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. 3165, S.D. 2, H.D. 2.

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

SCRep. 1752-08 Finance on S.B. No. 2218

The purpose of this bill is to protect victims of domestic violence from their abusers by allowing the courts to:

- (1) Prohibit contact with the victim by establishing court-defined geographic exclusion zones;
- (2) Require a defendant to wear a global positioning system (GPS) device designed to transmit and record the defendant's location data;
- (3) Require the protected party and the police be notified when a defendant enters a geographic exclusion zone;
- (4) Revoke a defendant's probation, and fine a defendant, imprison a defendant or both, if the court finds the defendant entered a geographic exclusion zone; and
- (5) Require a defendant to pay the monthly costs, or a portion thereof, for monitoring by GPS.

This bill also appropriates an unspecified amount of funds to pay for GPS devices and associated costs.

The Domestic Violence Action Center and Hawaii State Coalition Against Domestic Violence supported this bill. The Judiciary provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2020, to encourage further discussion. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2218, 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. 2218, S.D. 1, H.D. 2.

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

SCRep. 1753-08 Finance on S.B. No. 2828

The purpose of this bill is to prevent the misuse of the power to suspend laws during periods of natural or manmade disaster as authorized under Chapter 127, Hawaii Revised Statutes (HRS), relating to Disaster Relief, by, among other things:

- (1) Establishing that disaster relief under Chapter 127, HRS, is available, as well as all powers under Chapter 128, HRS (the Civil Defense and Emergency Act), and any other laws relating to Chapter 127, HRS, when an emergency arises that is not considered a civil defense emergency;
- (2) Allowing the Governor to exercise powers under Chapter 127, HRS, only if tangible and measurable harm or damage has resulted as a consequence of the disaster; and
- (3) Requiring that any of the Governor's emergency powers under an emergency proclamation in effect prior to the effective date of this measure expire when this measure becomes law, unless reauthorized by the Legislature.

The Governor, Department of Defense, Department of the Attorney General, Department of Accounting and General Services, Department of Agriculture, and Department of Land and Natural Resources opposed this bill.

Your Committee has amended this bill by reinstating the S.D. 2 version of this measure and making technical, nonsubstantive changes for clarity, consistency, and style. As amended, this bill differs from the H.D. 1 in that it:

- (1) Specifies that the "Disaster Relief Agency" and the "Director of Disaster Relief" under Chapter 127, HRS, is the state Civil Defense Agency and the state Director of Civil Defense;
- (2) Specifies that the term "other disaster relief" does not include remedying periodic or longstanding societal inequities or circumstances that could otherwise be remedied through the legislative process; and
- (3) Limits the expiration of the Governor's powers under an emergency proclamation in effect prior to the effective date of this measure to proclamations that are:
 - (A) Not issued for drainage improvements, earthquake damage, slope erosion, culvert repairs, boat ramp dredging, dam spillage repairs, or stream or river restoration; and
 - (B) Not in compliance with the provisions 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. 2828, 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. 2828, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, Sagum and Pine. (Representative Ward voted no.)

SCRep. 1754-08 Finance on S.B. No. 2569

The purpose of this bill is to allow additional time for the development of a Museum of Hawaiian Music and Dance by extending the interim and final reporting deadlines for reports to be submitted to the Legislature by the Museum of Hawaiian Music and Dance Committee (Museum Committee).

The State Foundation on Culture and the Arts supported this bill.

Your Committee has amended this bill by extending the existence of the Museum Committee by one year, from June 30, 2008, to June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2569, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2569, H.D. 1.

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

SCRep. 1755-08 Finance on S.B. No. 3138

The purpose of this bill is to extend the deadline of the baseline environmental study required to establish the boundaries of an ocean recreation management area between Kalaeloa Point and Kaena Point on the Waianae Coast of Oahu and appropriate additional funds for the continued preparation of the study.

Several concerned individual supported 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; 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. 3138, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3138, S.D. 1, H.D. 1.

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

SCRep. 1756-08 Finance on S.B. No. 2198

The purpose of this bill is to encourage the protection and preservation of land in the state by establishing a Land Conservation Incentives Tax Credit (Tax Credit). Specifically, this bill allows taxpayers to deduct:

- (1) 50 percent of the value of the interest in lands donated in perpetuity or sold in a bargain sale for conservation purposes to the State or a conservation agency; or
- (2) 50 percent of the amount invested in the management of lands for conservation purposes under an agreement with a conservation purpose,

up to \$2,500,000, from their net income tax liability.

The Department of Land and Natural Resources, Department of Agriculture, The Nature Conservancy of Hawaii, The Trust for Public Land, Hawaii Audubon Society, Hawaii Agriculture Research Center, and several concerned individuals supported this bill. The Department of Taxation, Office of Planning, Office of Hawaiian Affairs, and the Tax Foundation of Hawaii provided comments.

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

- (1) Reinstating language requiring a qualified appraisal prepared by a qualified appraiser to substantiate the fair market value of donations;
- (2) Subjecting all appraisals submitted to substantiate fair market value of donations to the requirements of applicable federal law and regulations governing charitable contributions, including penalties for valuation misstatements;
- (3) Conferring the Chairperson of the Board of Agriculture with rule-making authority to effectuate this Act;
- (4) Conferring the Chairpersons of the Board of Agriculture and the Board of Land and Natural Resources with rule-making authority to certify that donations or investments claimed for a tax credit fulfill a conservation or preservation purpose;
- (5) Reinstating language providing that the state agency that certifies that a protected resource is significant or important to work with the taxpayer to identify opportunities for public access, if appropriate and reasonable;
- (6) Providing that this tax credit shall not prevent the exercise of any rights of native Hawaiians from practicing traditional and customary practices as provided by law;
- (7) Making the tax credit applicable to taxable years after December 31, 2007;
- (8) Repealing the tax credit on December 31, 2010;
- (9) Limiting the total amount of the tax credit to \$3,000,000 for all taxpayers for all years;
- (10) Changing the effective date to July 1, 2020, to encourage further discussion; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2198, 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. 2198, S.D. 2, H.D. 2.

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

SCRep. 1757-08 Finance on S.B. No. 2421

The purpose of this bill is to preserve prime agricultural lands and irrigation resources in central Oahu by appropriating funds for the purchase of certain lands currently owned by the George Galbraith Estate.

The Trust for Public Land and several concerned individuals supported this bill. The Department of Land and Natural Resources (DLNR) and Office of Hawaiian Affairs provided comments.

Your Committee has amended this bill by:

- (1) Requiring the governor or the governor's designee, rather than authorizing DLNR, to negotiate the purchase of, enter into a cooperative agreement to purchase, or condemn the Galbraith Estate lands;
- (2) Providing that the list of properties designated by tax map key numbers in the Act as portions of the Galbraith Estate lands are inclusive, rather than exclusive;
- (3) Providing a list of sources of funds that may be used for the purchase of the property to include general funds; special funds; private funds, financing, or donations; federal funds; exchange of public lands; or any other means of financing;
- (4) Changing the effective date to July 1, 2050, 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. 2421, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2421, S.D. 2, H.D. 1.

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

SCRep. 1758-08 Finance on S.B. No. 2956

The purpose of this bill is to help ensure that Hawaii dairy producers are paid a price commensurate with the quality of milk they produce by:

- (1) Specifying that all Hawaii-produced fresh milk, up to 100 percent of the total production quotas for all milk sheds in the state, are deemed to be used as Class I milk, except under certain conditions;
- (2) Repealing existing provisions that statutorily prohibit producers or producer distributors from having milk production quotas that exceed 20 percent of the total quotas established in the state; and
- (3) Requiring the Department of Agriculture (DOA) to:
 - (A) Work with stakeholders in the Hawaii milk production industry to develop short- and long-term initiatives to ensure the availability of fresh milk for Hawaii; and
 - (B) With the University of Hawaii College of Tropical Agriculture and Human Resources, prepare and submit a written report and strategic plan setting forth the recommended short- and long-term initiatives to the Legislature.

DOA and the Hawaii Farm Bureau Federation supported this bill.

Your Committee has amended this bill by:

- (1) Removing the appropriation and its associated effective date, and making the entire bill effective 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2956, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2956, S.D. 1, H.D. 1.

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

SCRep. 1759-08 Finance on S.B. No. 2646

The purpose of this bill is to provide a comprehensive set of incentives to establish and sustain viable agricultural operations on lands designated as important agricultural lands (IALs). This bill, among other things;

- (1) Excludes income from certain agricultural leases on lands designated as IALs from the income tax;
- (2) Exempts income from certain agricultural leases on lands designated as IALs from the general excise tax (GET);

- (3) Allows landowners who have designated their agricultural lands as IALs to construct residential dwellings for farmers, employees, and their families on the IALs, subject to certain conditions;
- (4) Establishes an IAL Qualified Agricultural Cost Tax Credit (IAL Tax Credit) for qualified agricultural costs incurred by taxpayers, up to an unspecified maximum amount per year for each taxpayer;
- (5) Authorizes the Chairperson of the Board of Agriculture to guarantee agricultural loans for agricultural projects located on IALs;
- (6) Requires the Department of Agriculture (DOA) to include the water needs of IAL agricultural operations when developing the Water Use and Development Plan;
- (7) Requires the priority processing of permit applications for agricultural processing facilities submitted by an agribusiness, where the majority of the agribusinesses' lands are designated as IALs; and
- (8) Requires:
 - (A) DOA and Department of Land and Natural Resources (DLNR) to collaborate to identify and map public lands that should be designated as IALs;
 - (B) The Land Use Commission to designate these lands as IALS; and
 - (C) Management of such lands to be transferred to DOA.

BlueEarth Biofuels, Dole Food Company Hawaii, Alexander & Baldwin, Inc., Hawaiian Commercial & Sugar Company, Kauai Coffee Company, Inc., Hawaii Crop Improvement Association and a concerned individual supported this bill. The Department of Budget and Finance, Department of Planning and Permitting of the City and County of Honolulu, and Sierra Club, Hawaii Chapter opposed this measure. DLNR, DOA, Department of Business, Economic Development, and Tourism, Department of Taxation (DOTAX), Chamber of Commerce of Hawaii, Tax Foundation of Hawaii, Maui County Farm Bureau, Hawaii Association of REALTORS, Castle & Cooke Hawaii, Land Use Research Foundation of Hawaii, and Hawaii Farm Bureau Federation submitted comments.

Your Committee has amended this measure by:

- (1) Specifying in the purpose section that the provisions of this bill meet the requirement for incentives under Act 183, Session Laws of Hawaii 2005;
- (2) Requiring DOA to maintain records of and certify the exclusions from the income tax for IALS for the taxable year;
- (3) Establishing an annual aggregate cap of \$2,500,000 for the income tax exclusion and establishing certification procedures for administering the exclusion;
- (4) Establishing an annual aggregate cap of \$2,500,000 for the GET exemption to be implemented by rule;
- (5) Instead of DOA, appropriating funds for DOTAX to collect and analyze data to assess the impact of the income tax exclusion and GET exemption;
- (6) Instead of DOA, requiring DOTAX, in consultation with DOA, to submit annual reports regarding the impact of the income tax exclusion and GET exemption to the Legislature beginning with the Regular Session of 2010;
- (7) Revising the IAL Tax Credit by:
 - (A) Inserting specific amounts for the annual caps for each taxpayer;
 - (B) Making it non-refundable;
 - (C) Establishing certification procedures for administering the credit;
 - (D) Including regulatory processing, studies, and legal and other consultant services related to water supply and right to farm within the list of costs that qualify for the credit;
 - (E) Requiring DOTAX, in consultation with DOA, to submit annual reports regarding the impact of the credit to the Legislature beginning with the Regular Session of 2010; and
 - (F) Prohibiting the credit from being claimed in taxable years beginning after December 31, 2014, except for carryforward amounts previously claimed;
- (8) Clarifying that the total amount of the state guaranty on agricultural loans for agricultural projects located on IALs shall not exceed \$2,500,000 in any tax year;
- (9) Requiring DOTAX, in consultation with DOA, to submit to the legislature annual reports regarding the impact of the loan guaranty program;
- (10) Making the income tax exclusion, GET exemption, and IAL Tax Credit apply to taxable years after December 31, 2008;

- (11) Repealing the Attractions and Educational Facilities Tax Credit for Ko'olina Resort and Marina and Makaha Resort; and
- (12) 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. 2646, 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. 2646, S.D. 2, H.D. 2.

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

SCRep. 1760-08 Finance on S.B. No. 3001

The purpose of this bill is to clarify the law relating to the administration of funds collected from electric utility customers to support energy-efficiency and demand-side management programs and services. Among other things, this bill clarifies:

- (1) That public benefits fees collected to support these programs and services are not to be considered state or public moneys subject to appropriation by the Legislature or to be required to be deposited into the state treasury;
- (2) That the State may participate in these programs and services on the same basis as any other electric customer; and
- (3) The Public Utilities Commission's (PUC) ability to contract with a Public Benefits Fee Administrator (Administrator).

The Department of Business, Economic Development, and Tourism, Hawaii Electric Company, Inc., Maui Electric Company, Ltd., Hawaii Electric Light Company, Hawaii Energy Policy Forum, and the Hawaii Solar Energy Association supported this bill. PUC and the Consumer Advocate submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provision allowing PUC to determine the terms and conditions of the contract with the Administrator;
- (2) Exempting the contract to purchase third-party administrative services from the requirements of the Procurement Code, provided that all moneys transferred to the Administrator shall be comprised solely of public benefit fees;
- (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. 3001, 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. 3001, S.D. 2, H.D. 2.

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

SCRep. 1761-08 Finance on S.B. No. 2660

The purpose of this bill is to increase the participation of Hawaii taxpayers in any qualifying college savings program by providing a state income tax deduction for contributions made to the program.

The Securities Industry and Financial Markets Association testified in support of this bill. The Department of Taxation, Department of Budget and Finance, Tax Foundation of Hawaii, Upromise Investments, Inc., and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Limiting the tax deduction only to contributions made to the State's college savings program, rather than to those of other states;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

Your Committee finds that although this bill, as amended, allows an income tax deduction for contributions only to Hawaii's college savings program, the importance of a college education to the graduate's family and Hawaii's future necessitates serious consideration of extending the tax deduction to contributions to other state programs on a reciprocal basis.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2660, 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. 2660, S.D. 3, H.D. 2.

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

SCRep. 1762-08 Finance on S.B. No. 2055

The purpose of this bill is to further protect children involved in Family Court proceedings by:

- (1) Requiring the Department of Commerce and Consumer Affairs (DCCA) to establish policies and procedures for child custody evaluators and administer certification procedures;
- (2) Establishing licensing requirements and minimal education and experience requirements, and requiring continuing training for child custody evaluators; and
- (3) Requiring DCCA to establish minimum annual continuing training requirements for child custody evaluators, and establish policies for the use of eligible training providers.

The Hawaii State Coalition Against Domestic Violence, Domestic Violence Action Center, Oahu VOICES, and several concerned individuals testified in support of this bill. The Professional and Vocational Licensing Division of DCCA opposed this measure. The Judiciary and a concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Including registered nurses among those who may be child custody evaluators, if they meet licensing criteria and are in good standing;
- (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 S.B. No. 2055, 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. 2055, S.D. 2, H.D. 2.

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

SCRep. 1763-08 Finance on S.B. No. 3023

The purpose of this bill is to keep Hawaii competitive as a leading captive insurance jurisdiction by authorizing the creation of special purpose financial captive insurance companies to provide securitization of insurance risks.

The Department of Commerce and Consumer Affairs, Hawaii Captive Insurance Council, Artex Risk Solutions, Inc., First Hawaiian Bank, Hawaii Bankers Association, and several concerned individuals testified in support of this bill. The Reinsurance Association of America provided 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 S.B. No. 3023, 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. 3023, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Manahan, Nakasone and Ward.

SCRep. 1764-08 Finance on S.B. No. 3171

The purpose of this bill is to strengthen oversight of charitable organizations in Hawaii by, among other things:

- (1) Requiring certain charitable organizations to register with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Requiring charitable organizations with gross revenue exceeding \$50,000 to file annual financial reports with DCCA and pay a filing fee;
- (3) Establishing requirements for the filing and terms of written consents related to charitable sales promotions conducted by a commercial co-venturer using the name of a charitable organization;
- (4) Prohibiting charitable organizations from using the services of unregistered professional solicitors or professional fundraising counsel;
- (5) Authorizing electronic filing and signatures; and
- (6) Appropriating funds to provide the Attorney General with additional staff.

The Attorney General and Children's Alliance of Hawaii supported this bill. The Hawaii Government Employees Association opposed 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. 3171, 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. 3171, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Nakasone and Pine.

SCRep. 1765-08 Finance on S.B. No. 711

The purpose of this bill is to:

- (1) Establish a ten-year statute of limitations on tax collections; and
- (2) Clarify that the three-year statute of limitations on tax assessments for the general excise tax, use tax, and other period taxes begins running from the filing of each periodic return.

Your Committee distributed a proposed S.B. No. 711, H.D. 2, prior to the public hearing on this measure and requested that testimony be submitted on the proposed S.B. No. 711, H.D. 2.

The Department of Taxation (DOTAX), Horwarth Kam & Company, and a concerned individual supported this bill. The Chamber of Commerce of Hawaii and a concerned individual opposed this measure. The Tax Foundation of Hawaii submitted comments.

Your Committee notes that concerns were brought up during decision-making about privacy issues regarding reporting taxpayers' information to the Legislature. Your Committee urges that due diligence should always be performed by DOTAX to ensure that vital personal information is not inadvertently disclosed.

Your Committee has amended this bill by deleting its contents and inserting the substance of the proposed S.B. No. 711, H.D. 2, with additional changes. As amended, this bill, among other things:

- (1) Authorizes DOTAX to study and evaluate the economic impact of existing and proposed state tax incentives;
- (2) Authorizes DOTAX to collect and evaluate information from January 1, 2002, as part of its annual survey of businesses that have benefited from various high technology tax incentives;
- (3) Requires DOTAX to report annually to the Legislature, until 2011, on its findings of the economic impact of the tax incentives; and
- (4) Appropriates \$60,000 out of the Tax Administration Special fund to be expended by DOTAX for one full time equivalent economist position.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 711, H.D. 2.

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

SCRep. 1766-08 Judiciary 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 and a concerned individual supported this bill.

Compliance with child support obligations is an important matter and new methods of enforcement may be needed. However, your Committee is concerned that creating a new legal presumption in favor of the state enforcement agency for a finding of contempt, which may carry a penalty of imprisonment, may result in claims that due process was not afforded to the non-complying parent.

Accordingly, your Committee has amended this bill by:

- (1) Adding provisions requiring any court order issued to compel a parent to furnish support for the parent's child to clearly state that failure to comply with the order could result in imprisonment;
- (2) Adding a savings clause to prevent current proceedings and rights from being affected by this measure;
- (3) Changing the effective date to January 1, 2009 to allow public and legal practitioners to have ample notice of the changes in the law and to allow the Judiciary time to modify their forms and procedures as necessary; 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. 1337, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1337, H.D. 1.

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

SCRep. 1767-08 Judiciary on S.B. No. 2040

The purpose of this bill is to advance efforts to improve cancer control and surveillance of cancer incidence and survival by:

- (1) Allowing all morbidity data for cancer collected by certain cooperating entities to be shared with the Department of Health;
- (2) Adding "biological specimens" to the list of materials that may be provided to the Hawaii Tumor Registry (Registry) to assist in cancer research studies, and allowing materials related to individuals with "pre-cancerous conditions" to be provided to the Registry;
- (3) Allowing researchers to use the names of persons or physicians when requesting additional information for research studies approved by the Cancer Commission of the Hawaii Medical Association (HMA) and the appropriate federally authorized human subjects protection board; and
- (4) Allowing a cancer patient to be contacted directly for purposes of cancer surveillance, instead of requiring approval from the patient's attending physician.

Testimony in support of this measure was received from the University of Hawaii, HMA, and Kaiser Permanente.

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2040, 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. 2040, S.D. 1, H.D. 2.

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

SCRep. 1768-08 Judiciary on S.B. No. 3103

The purpose of this bill is to increase landowner participation in safe harbor agreements and habitat conservation plans by authorizing the development and use of programmatic safe harbor agreements and programmatic habitat conservation plans that cover multiple landowners, or a class of landowners, over a wide area or region.

The Department of Land and Natural Resources and University of Hawaii Environmental Center supported this bill. The Hawaii Leeward Planning Conference supported the intent of this measure. Earthjustice and Sierra Club – Hawaii Chapter, opposed this bill. A concerned individual provided comments.

Your Committee has amended this bill by:

- (1) Removing the amendment defining "landowner" to include an agent of the landowner;
- (2) Moving to section 195D-4(g), Hawaii Revised Statutes, the provisions allowing certificates of inclusion extending the coverage of an incidental take license, to be issued to landowners joining existing programmatic safe harbor plans and programmatic habitat conservation plans, to ensure that the certificates are issued only after they meet specified conditions and are approved by not less than two-thirds of the members of the Board of Land and Natural Resources; 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. 3103, 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. 3103, S.D. 1, H.D. 2.

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

SCRep. 1769-08 Agriculture on S.B. No. 958

The purpose of this bill is to establish a moratorium on the genetic modification of taro.

Numerous persons testified on this bill before your Committee during an all-day hearing on March 19, 2008. Supporters of this bill favored the moratorium primarily to protect taro, which is important in the native Hawaiian culture, from non-traditional methods of breeding or to express general opposition to the genetic modification of any food because of public health concerns. Opponents of the moratorium generally indicated that biotechnology is necessary to increase crop yields, improve pest and disease resistance, and advance scientific research. Opponents also testified that the genetic modification, planting, and growing of plant organisms may be accomplished in a safe manner.

After consideration of the testimony and the issues, your Committee has amended this bill by:

- (1) Imposing a five-year moratorium on:
 - (A) Genetically modifying any Hawaiian taro within the State and adding a definition of "Hawaiian taro" identifying the various varieties; and
 - (B) Testing, planting, or growing any Hawaiian taro within the State that has been genetically modified outside the State.
- (2) Prohibiting any state statute, rule, permit condition, or executive or administrative directive or order from banning or restricting the:
 - (A) Genetic modification within the State of any non-Hawaiian taro or other non-taro plant organism if performed in accordance with a valid federal permit; or
 - (B) Testing, planting, or growing within the State of any genetically modified non-Hawaiian taro or other non-taro plant organism in a discriminatory manner.

Your Committee does not intend that these provisions prohibit the State from encouraging the genetic modification of any non-Hawaiian taro or other non-taro plant organism or the testing, planting, or growing of any genetically modified non-Hawaiian taro or other non-taro plant organism.

- (3) Prohibiting any county ordinance, charter provision, rule, permit condition, or executive or administrative directive or order from banning or otherwise regulating the:
 - (A) Genetic modification of any plant organism; or
 - (B) Planting, growing, testing, advertisement, labeling, packaging, handling, transportation, distribution, use, notification of use, certification, or registration of any genetically modified plant organism. An exception to this provision is established for a county zoning ordinance or land use permit condition that regulates agricultural uses or activities and does not treat the planting or growing of any genetically modified plant organism in a discriminatory manner. For example, a county zoning ordinance would be discriminatory and invalid if it prohibits the growing of genetically modified corn on agriculture-zoned land without similarly prohibiting the growing of non-genetically modified corn. In contrast, a county zoning ordinance would be valid if it rezones an agriculture parcel to residential, resulting in the prohibition on growing both genetically modified and non-genetically modified corn on that newly residential-zoned parcel;
- (4) Adding enforcement provisions;
- (5) Expanding the purpose section by adding justification for the above-described amendments while retaining, with some relevant changes, the language in the H.D. 1 version explaining the importance of taro to the native Hawaiian culture; and
- (6) Changing the effective date to July 1, 2008.

Your Committee also has declared that the moratorium provisions concerning Hawaiian taro are not severable from the other provisions protecting other genetically modified plant organisms. If any of the latter provisions is repealed or judicially invalidated, then your Committee intends that the moratorium provisions automatically terminate. The rationale for this non-severability provision is set forth in the purpose section of this bill.

Your Committee recognizes that a subsequent Act may repeal or amend the non-severability provisions. Your Committee, however, expresses the hope that future legislatures will refrain from doing so out of respect for the compromise reached under 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. 958, 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. 958, S.D. 1, H.D. 2.

Signed by all members of the Committee. (Representatives Berg, Hanohano and Meyer voted no.)

SCRep. 1770-08 Finance on S.B. No. 2878

The purpose of this bill is to help Hawaii's children reach their full potential as individuals and citizens, beginning at birth, by:

- (1) Establishing a comprehensive, cohesive, and sustainable early learning system of voluntary educational programs and services to be known as Keiki First Steps (System), to ensure a spectrum of quality early learning opportunities for children throughout the state, from birth until the time they enter kindergarten;
- (2) Creating and appropriating funds for the Early Learning Council (Council) to develop the System;
- (3) Establishing and appropriating funds for the Three- and Four-Year-Old Program component of the System, which coordinates, improves, and expands existing programs and services for three- and four-year-old children through the Department of Human Services (DHS), with priority given to underserved or at-risk children;
- (4) Statutorily establishing the Pre-Plus Program, the goal of which is to increase the supply of suitable classrooms for early childhood programs statewide, by requiring the Department of Education (DOE) and DHS to develop suitable Pre-Plus classrooms on DOE campuses statewide, for early childhood education programs.

DOE, the University of Hawaii System, Good Beginnings Alliance, Hawaii Association of Independent Schools, Junior League of Honolulu, Aloha United Way, and a concerned individual testified in support of this bill. The Department of Budget and Finance opposed this measure. DHS, the Office of Information Practices, Good Beginnings Alliance Board, Kamehameha Schools, Hawaii Association for the Education of Young Children, and several concerned individuals offered comments.

Your Committee notes that concerns have been raised regarding the extent of the Council's authority, and wishes to clarify that the intent is neither to authorize the Council to establish policies prohibited by other state or federal laws, nor to act in contradiction to state or federal law by directing programs currently housed in any state department or agency. For example:

- (1) The Department of Health should be allowed to continue administering and operating the Healthy Start Program and other existing programs for children from birth to three years of age;
- (2) DOE should be allowed to continue the current practice of administering and operating special education classes for three- and four-year-old children; and
- (3) DHS should be allowed to continue administering existing child care programs that are funded with state general funds and federal funds.

However, it is reasonably expected that state departments and agencies such as DOH, DOE, and DHS should work cooperatively with the Council to enhance, expand, and improve the quality of the System to be developed by the Council.

Your Committee would also like to clarify that the reason for statutorily establishing the Keiki First Steps Trust Fund (Fund) is to provide a means by which private donors may contribute to the development of the System. Hawaii- and mainland-based private donors are encouraged to donate to the Fund, as your Committee believes that the System will be most effective if both public and private funds are available to build a spectrum of quality early learning opportunities in Hawaii.

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

- (1) Elaborating on the achievements thus far in promoting young children's development and school readiness through public and private efforts;
- (2) Clarifying the definition of "family child care program" to mean a program in which a child is cared for in a family child care home licensed under section 346-161, Hawaii Revised Statutes (HRS);
- (3) Clarifying the definition of "family-child interaction learning program" to mean a program attended by both a child and at least one adult who is the child's parent, relative, or other caregiver;
- (4) Adding a definition of "home-based instruction program";
- (5) Specifying that the System is to give priority to underserved or at-risk children;
- (6) Clarifying that the System is not only to coordinate but also improve and expand existing early learning programs and services;
- (7) Clarifying that the System is to offer opportunities for family, and not just parent, engagement;
- (8) Requiring the Council to establish policies and procedures governing the inclusion of children with special needs;
- (9) Clarifying that the Council must develop and implement methods of maximizing the involvement of families and not just parents;
- (10) Requiring the Council to recommend, rather than determine, the appropriate proportion of state funds that should be distributed to programs and services across the System;
- (11) Changing the membership of the Council as follows:

- (A) Removing one of the two representatives of center-based child care program providers, and requiring the remaining representative to serve a two-year term; and
 - (B) Replacing the representative of non-center-based child care program providers with one representative of family child care program providers and one representative of family-child interaction learning program providers, both of whom are to serve three-year terms;
- (12) Specifying that the invited members of the Council shall be voting members;
- (13) Removing the blanket exemption of Council workgroups and subcommittees from Chapter 92, HRS, and specifying that two or more Council members, but less than a quorum, may discuss matters relating to official Council business in the course of their participation in a workgroup or subcommittee;
- (14) Providing for the appointment of the executive director of the Council without regard to the civil service and collective bargaining law (Chapters 76 and 89, HRS);
- (15) Clarifying that the executive director of the Council may appoint other personnel without regard to Chapters 76 and 89, HRS;
- (16) Requiring all publicly-run programs and services that participate in the System to establish a system to account for expenditures of non-federal funds that would qualify for matching federal childcare and development funds, or other federal funds, and provide this data to the Council to maximize the availability of federal funds;
- (17) Including a provision to encourage privately-run programs and services that participate in the System to make the same data available;
- (18) Renaming the Three- and Four-Year-Old Program as the Keiki First Steps Grant Program (Grant Program) and clarifying that its purpose is to increase early learning opportunities that meet high standards of quality through the awarding of grants to publicly- or privately-run:
- (A) Center-based programs for three- and four-year-old children; and
 - (B) Family child care programs, family-child interaction learning programs, and other programs and services regardless of the age of children served;
- (19) Establishing the Grant Program requirement that home-based instruction programs provide early learning activities for no fewer than 30 weeks within a school year;
- (20) Changing the provisions of the Fund as follows:
- (A) Requiring the Council, rather than DOE, to administer the Fund;
 - (B) Removing fines from the type of moneys that can be deposited into the Fund;
 - (C) Including appropriations made by the Legislature to the Fund as monies that can be deposited into the Fund;
 - (D) Clarifying that monies in the Fund are to be used for the System; and
 - (E) Providing that expenditures from the Fund may be made by the Council without appropriation or allotment;
- (21) Changing the Pre-Plus Program as follows:
- (A) Removing the specification that Pre-Plus classrooms be developed for programs in the System that serve children between birth until the time they enter kindergarten, to lend consistency to the Pre-Plus Program statute; and
 - (B) Requiring DHS with DOE, in coordinating site selection for public school sites, to also give priority to sites located in areas with limited access to early learning programs and services;
- and
- (22) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2878, 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. 2878, S.D. 2, H.D. 2.

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

SCRep. 1771-08 Finance on S.B. No. 3004

The purpose of this bill is to improve and enhance the Employees' Retirement System (ERS) by, among other things:

- (1) Allowing the ERS to require state and county governments to transmit payroll and personnel transactions in an electronic format;
- (2) Requiring direct deposit of lump sum refunds of accumulated contributions or hypothetical account balances greater than \$250 if the member does not elect to rollover the payment into an eligible retirement plan, and allowing the ERS to waive this payment method if another method is determined to be more appropriate;
- (3) Automatically increasing the annual ceiling on pension benefits to parallel the increases in the federal ceiling under Section 415 of the Internal Revenue Code; and
- (4) Requiring state and county governments to determine the contributions for an employee who served in the armed services based on the compensation that the member would have received had the member not been on active military duty, to comply with the federal Uniform Services Employment and Reemployment Rights Act.

The Department of Budget and Finance, ERS, and the Hawaii State Teachers Association provided comments.

Upon careful consideration, your Committee has amended this bill by reinstating language that was originally in the S.D. 2 version of this bill, but removed in the H.D. 1. Specifically, this bill has been amended by:

- (1) Specifying that members may rollover and transfer funds to the ERS System from their individual retirement accounts and tax sheltered annuities, and state or local government, or tax-exempt organization deferred compensation plans to purchase membership service credit and to upgrade their Noncontributory Plan service to Hybrid Plan service;
- (2) Prohibiting returning vested Contributory Plan members from switching to the Hybrid Plan after June 30, 2008; and
- (3) Restricting payroll deduction payments for the Hybrid Plan conversion to "after-tax" employee payroll deductions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3004, 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. 3004, S.D. 2, H.D. 2.

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

SCRep. 1772-08 Finance on S.B. No. 3005

The purpose of this bill is to protect the tax-qualified status of the Employees' Retirement System (ERS) by, among other things:

- (1) Eliminating optional membership in the ERS for elective officers;
- (2) Implementing a one-time irrevocable election by elective officers who choose to be excluded from membership in the ERS; and
- (3) Providing that a retirant may return to service as an elective officer without suspension of their retirement benefits under certain conditions.

In addition, this bill repeals the statutory cap on retirement benefits for elective officers and judges.

ERS opposed this bill. The Department of Budget and Finance and the Attorney General submitted comments.

Your Committee has amended this measure by:

- (1) Deleting the provisions that repeal the statutory cap on retirement benefits for elective officers and judges; 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. 3005, 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. 3005, S.D. 2, H.D. 2.

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

SCRep. 1773-08 Finance on S.B. No. 1780

The purpose of this bill is to clarify existing employment exclusions under Chapters 386, 392, and 393, Hawaii Revised Statutes (HRS), and to provide a new exclusion under Chapter 383, HRS.

Your Committee made a draft available to the public for purposes of receiving testimony on the new proposed language that replaces the contents of this bill with provisions that require a public employer and the exclusive representative for each bargaining unit to include provisions in their respective collective bargaining agreements that provide for a duration not exceeding two years and ending on June 30 of an odd-numbered year.

The Office of Collective Bargaining, Department of Human Resources Development, Department of Budget and Finance, Judiciary, City and County of Honolulu Department of Human Resources, County of Maui Department of Personnel Services, University of Hawaii Professional Assembly, and Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO opposed this bill.

Your Committee has amended this bill by:

- (1) Replacing its contents with the provisions of the proposed draft;
- (2) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (3) Making additional technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1780, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1780, S.D. 2, H.D. 2.

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

SCRep. 1774-08 Finance on S.B. No. 2334

The purpose of this bill is to provide for more effective leadership within the Sheriffs Division by:

- (1) Repealing the civil service exemption for the First Deputy Sheriff and Second Deputy Sheriff; and
- (2) Requiring the Deputy Director for Law Enforcement and the Sheriff to be graduates of a law enforcement academy, except if the existing Deputy Director or Sheriff was employed prior to the effective date of this bill.

The Hawaii Government Employees Association and numerous concerned individuals testified in support of this bill. The Department of Human Resources Development and Department of Public Safety testified in opposition to this measure.

Your Committee notes that other than section 326-35, Hawaii Revised Statutes (HRS), no provisions of the HRS define "sheriff" or appoint a "sheriff." 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. 2334, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2334, S.D. 2, H.D. 1.

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

SCRep. 1775-08 Finance on S.B. No. 2423

The purpose of this bill is to protect and preserve culturally valuable property on the North Shore of Oahu by directing the Governor or Governor's designee to acquire the Turtle Bay Hotel and Resort and surrounds using one or more of several sources of funding by:

- (1) Initiating negotiations with Kulima Resort Company, Oaktree Capital Management, LLC, and others holding interest in the property;
- (2) Entering into a cooperative agreement with private or other public entities to cooperatively acquire the property if acquisition of the sole interest in the property is infeasible; or
- (3) Exercising the power of eminent domain if an agreement to acquire the property is not reached within a reasonable time.

The Governor, Office of Planning, Sierra Club - Hawaii Chapter, Koolauloa-North Shore Alliance, Save Our Surf, Windward Ahupuaa Alliance, and numerous concerned individuals supported this bill. The Trust for Public Land and the Kulima Resort Company provided comments.

Your Committee has amended this bill by:

- (1) Specifying the appropriation amount and funding source for funds appropriated from special funds at \$250,000 from the Special Land and Development Fund;
- (2) Deleting the section appropriating an unspecified amount to the Department of Land and Natural Resources from the state general fund; 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. 2423, 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. 2423, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Carroll, Nakasone, Sagum, Pine and Ward.

SCRep. 1776-08 Finance on S.B. No. 3102

The purpose of this bill is to provide for greater protection of land having value as a resource to the State through the Land Conservation Fund (Fund) by allowing:

- (1) Public and private moneys to be deposited into the Fund and used for the acquisition of land having value as a resource to the State; and
- (2) Moneys from the Fund to be used for the costs of operating, maintaining, and managing lands acquired by way of the Fund.

The Department of Land and Natural Resources supported this bill.

Your Committee has amended this bill by:

- (1) Deleting the provision allowing moneys from the Fund to be used for the costs of operating, maintaining, and managing lands acquired by way of the Fund;
- (2) Providing that the Board of Land and Natural Resources may, upon consultation with the Senate President and Speaker of the House of Representatives, require organizations receiving moneys from the Fund to provide and record a conservation easement, agricultural easement, or deed restriction or covenant to ensure the long-term protection of land having value as a resource to the State; 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. 3102, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3102, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Nakasone and Pine.

SCRep. 1777-08 Finance on S.B. No. 3202

The purpose of this bill is to amend Article VI, section 3, of the Hawaii State Constitution to extend the mandatory retirement age of all state judges and justices appointed after November 5, 2008, from 70 years of age to 80 years of age.

The Department of the Attorney General and Hawaii Government Employees Association testified in support of this bill. The Judicial Selection Commission and AARP Hawaii testified in opposition to this measure. 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. 3202, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Belatti, Nakasone, Sagum and Pine.

SCRep. 1778-08 Finance 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.

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. 966 and recommends that it pass Third Reading.

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

SCRep. 1779-08 Legislative Management on H.C.R. No. 150

The purpose of this concurrent resolution is to update and improve the vocational services provided to assist deaf and hard of hearing individuals by requesting the Legislative Reference Bureau to study and make recommendations to the Legislature on the establishment of a comprehensive vocational rehabilitation center for deaf and hard of hearing individuals.

The Disability and Communication Access Board, Deaf Hard of Hearing Advisory Board, and several individuals supported this concurrent resolution. The Department of Human Services supported the intent of this measure. The Legislative Reference Bureau submitted comments.

Your Committee finds that having an interpreter stationed at the Legislature during the session would assist deaf and hard of hearing individuals to participate in the process, and believes that a cost analysis should be pursued.

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. 150, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representative Chong.

SCRep. 1780-08 Legislative Management on H.C.R. No. 167

The purpose of this concurrent resolution is to allow the Natural Energy Laboratory of Hawaii Authority (NELHA) to set reasonable rates for the deep sea water that it provides its tenants by requesting the Auditor to conduct a financial and management audit of NELHA.

A concerned individual supported this concurrent resolution. Testimony in support of the intent of this measure was provided by the Hawaii Aquaculture Association.

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. 167 and recommends its adoption.

Signed by all members of the Committee except Representative Chong.

SCRep. 1781-08 Legislative Management on H.C.R. No. 172

The purpose of this concurrent resolution is to ensure that the Punchbowl Homes state public housing facility is properly maintained and safe by requesting the Auditor to conduct a management and financial audit of the facility and investigate reports of disrepair, noncompliance with the Americans with Disabilities Act, and other concerns of residents.

Many concerned individuals supported this concurrent resolution with an amendment.

Your Committee heard concerns that the Punchbowl Homes Resident Association's financial records were not being made available to association treasurers and requests that the Auditor examine this concern.

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. 172 and recommends its adoption.

Signed by all members of the Committee except Representative Chong.

SCRep. 1782-08 Health on H.R. No. 235

The purpose of this resolution is to enhance and improve the health care of the people of Hawaii by requesting the Hawaii State Center for Nursing to encourage parties to work together for the common goal of increasing the supply of well-educated and dedicated nurses.

University of Hawaii System, Board of Nursing, Hawaii State Center for Nursing, Hawaii Nurses Association, Hawaii Government Employees Association (HGEA), Hawaii Pacific Health, Queen's Medical Center, Honolulu Community Action Program, and numerous concerned individuals supported this resolution.

Your Committee has amended this resolution by:

- (1) Adding HGEA as one of the stakeholders to participate in increasing the supply of nurses; and
- (2) Making technical non-substantive 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. 235, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 235, H.D. 2.

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

SCRep. 1783-08 Health on H.C.R. No. 277

The purpose of this concurrent resolution is to enhance and improve the health care of the people of Hawaii by requesting the Hawaii State Center for Nursing to encourage parties to work together for the common goal of increasing the supply of well-educated and dedicated nurses.

University of Hawaii System, Board of Nursing, Hawaii State Center for Nursing, Hawaii Nurses Association, Hawaii Government Employees Association (HGEA), Hawaii Pacific Health, Queen's Medical Center, Honolulu Community Action Program, and numerous concerned individuals supported this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Adding HGEA as one of the stakeholders to participate in increasing the supply of nurses; and

- (2) Making technical non-substantive 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. 277, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 277, H.D. 2.

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

SCRep. 1784-08 Higher Education on H.R. No. 112

The purpose of this concurrent resolution is to request the University of Hawaii (UH) Board of Regents to not place enrollment cap restrictions on graduate applicants for the purposes of increasing international enrollment.

The UH System submitted comments on 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. 112, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1785-08 Higher Education on H.C.R. No. 130

The purpose of this concurrent resolution is to request the University of Hawaii (UH) Board of Regents to not place enrollment cap restrictions on graduate applicants for the purposes of increasing international enrollment.

The UH System submitted comments on 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. 130, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1786-08 Higher Education on H.R. No. 294

The purpose of this resolution is to support the production of value-added products that make use of locally-grown agricultural products by requesting the University of Hawaii College of Tropical Agriculture and Human Resources to study the feasibility of constructing a multipurpose, multi-user processing facility in which these products can be processed, packaged, and assembled.

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

Your Committee has amended this resolution by:

- (1) Inserting provisions relating to the availability of land in the Ewa, central Oahu area on which such a facility could be built, as Campbell Estate has offered to donate to the Hawaii Agriculture Research Center approximately 119 acres of land together with improvements, including agricultural worker housing and existing facilities for agricultural offices and agribusinesses;
- (2) Narrowing the scope of the study to the feasibility of constructing the facility on this land, and accordingly, changing its title to read, "REQUESTING THE UNIVERSITY OF HAWAII COLLEGE OF TROPICAL AgricultureICULTURE AND HUMAN RESOURCES TO STUDY THE FEASIBILITY OF CONSTRUCTING A MULTIPURPOSE, MULTI-USER PROCESSING FACILITY ON THE LAND IN THE EWA, CENTRAL OAHU AREA BEING OFFERED TO THE HAWAII AgricultureICULTURE RESEARCH CENTER, FOR THE PRODUCTION OF VALUE-ADDED PRODUCTS THAT MAKE USE OF LOCALLY-GROWN AgricultureICULTURAL PRODUCTS"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 294, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 294, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1787-08 Higher Education on H.C.R. No. 357

The purpose of this concurrent resolution is to support the production of value-added products that make use of locally-grown agricultural products by requesting the University of Hawaii College of Tropical Agriculture and Human Resources to study the feasibility of constructing a multipurpose, multi-user processing facility in which these products can be processed, packaged, and assembled.

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

Your Committee has amended this concurrent resolution by:

- (1) Inserting provisions relating to the availability of land in the Ewa, central Oahu area on which such a facility could be built, as Campbell Estate has offered to donate to the Hawaii Agriculture Research Center approximately 119 acres of land together with improvements, including agricultural worker housing and existing facilities for agricultural offices and agribusinesses;
- (2) Narrowing the scope of the study to the feasibility of constructing the facility on this land, and accordingly, changing its title to read, "REQUESTING THE UNIVERSITY OF HAWAII COLLEGE OF TROPICAL AgricultureICULTURE AND HUMAN RESOURCES TO STUDY THE FEASIBILITY OF CONSTRUCTING A MULTIPURPOSE, MULTI-USER PROCESSING FACILITY ON THE LAND IN THE EWA, CENTRAL OAHU AREA BEING OFFERED TO THE HAWAII AgricultureICULTURE RESEARCH CENTER, FOR THE PRODUCTION OF VALUE-ADDED PRODUCTS THAT MAKE USE OF LOCALLY-GROWN AgricultureICULTURAL PRODUCTS"; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 357, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 357, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1788-08 Consumer Protection & Commerce on H.C.R. No. 244

The purpose of this concurrent resolution is to address issues facing the accounting profession by requesting the Board of Public Accountancy to convene a meeting with interested individuals and groups regarding the licensure of certified public accountants.

Prior to the public hearing on this measure, your Committee circulated for public comment a proposed H.D. 1 that urges the Department of Agriculture (DOA) to adopt rules consistent with federal law to prohibit the meat packing industry and meat or meat product retailers from using gas or other technology to extend the expiration date of meat sold in the state.

The Hawaii Teamsters and Allied Workers, Local 996, testified in support of the proposed H.D. 1. The Grocery Manufacturers Association opposed the proposed H.D. 1. DOA provided comments.

Your Committee has amended this concurrent resolution by replacing its entire contents with the proposed H.D. 1 and making further 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. 244, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 244, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Morita and Sonson.

SCRep. 1789-08 Public Safety & Military Affairs on H.R. No. 158

The purpose of this resolution is to help ensure the safety of Hawaii's children by calling on the Department of Human Services (DHS) to convene a task force to establish protocols and training programs for first responders, including the county police departments, the sheriffs and other law enforcement agencies, the fire department, and emergency medical personnel, to use when coming into contact with children who may be victims of, or who are at risk for, child abuse.

A concerned individual supported this resolution. DHS supported the intent of this measure.

Your Committee finds that first responders, including police officers, members of the fire department, and emergency medical personnel, have the unique duty of responding to a wide variety of situations in which children may be found who are the victims of or who are at risk for child abuse. Therefore, first responders must be provided with appropriate training to afford our keiki the highest level of protection.

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. 158 and recommends its adoption.

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

SCRep. 1790-08 Public Safety & Military Affairs on H.C.R. No. 188

The purpose of this concurrent resolution is to help ensure the safety of Hawaii's children by calling on the Department of Human Services (DHS) to convene a task force to establish protocols and training programs for first responders, including the county police departments, the sheriffs and other law enforcement agencies, the fire department, and emergency medical personnel, to use when coming into contact with children who may be victims of, or who are at risk for, child abuse.

A concerned individual supported this concurrent resolution. DHS supported the intent of this measure.

Your Committee finds that first responders, including police officers, members of the fire department, and emergency medical personnel, have the unique duty of responding to a wide variety of situations in which children may be found who are the victims of or who are at risk for child abuse. Therefore, first responders must be provided with appropriate training to afford our keiki the highest level of protection.

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. 188 and recommends its adoption.

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

SCRep. 1791-08 Judiciary on H.R. No. 140

The purpose of this resolution is to improve the efficiency and effectiveness of the judicial system on Oahu by requesting the Judiciary to conduct a study to identify the funding, personnel, equipment, and supply needs to create a fourth judicial circuit to be located at the Kapolei Court Complex that would serve the residents of the Waialua, Wahiawa, Waianae, and Ewa Districts.

The Honolulu Family Court Professionals and an individual 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 concurs with the intent and purpose of H.R. No. 140 and recommends its adoption.

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

SCRep. 1792-08 Judiciary on H.C.R. No. 166

The purpose of this concurrent resolution is to improve the efficiency and effectiveness of the judicial system on Oahu by requesting the Judiciary to conduct a study to identify the funding, personnel, equipment, and supply needs to create a fourth judicial circuit to be located at the Kapolei Court Complex that would serve the residents of the Waialua, Wahiawa, Waianae, and Ewa Districts.

The Honolulu Family Court Professionals and an individual 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 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 Ito, Sonson, Souki and Pine.

SCRep. 1793-08 Judiciary on H.C.R. No. 369

The purpose of this concurrent resolution is to urge the Mayor and County Council of Maui to create a separate county code specifically for the island of Molokai.

Two concerned individuals supported this concurrent resolution. A Maui County Council member opposed this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 369 and recommends its adoption.

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

SCRep. 1794-08 Energy & Environmental Protection on H.R. No. 229

The purpose of this resolution is to request the University of Hawaii at Manoa Green Roof Feasibility Team to recommend incentives that may be established by the State to encourage green roofing.

Testimony in support of this measure was received from the University of Hawaii, American Society of Language Architects Hawaii Chapter, Roofing Contractors Association of Hawaii, and several interested individuals supported this measure.

Your Committee amended this measure by adding to the list of collaborators, the Roofing Contractors Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of 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 Representatives Magaoay, Morita and Thielen.

SCRep. 1795-08 Energy & Environmental Protection on H.C.R. No. 270

The purpose of this concurrent resolution is to request the University of Hawaii at Manoa Green Roof Feasibility Team to recommend incentives that may be established by the State to encourage green roofing.

Testimony in support of this measure was received from the University of Hawaii, American Society of Landscape Architects Hawaii Chapter, Roofing Contractors Association of Hawaii, and several interested individuals supported this measure.

Your Committee amended this measure by adding to the list of collaborators, the Roofing Contractors Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 270, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 270, H.D. 2.

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

SCRep. 1796-08 Tourism & Culture on H.R. No. 207

The purpose of this resolution is to support the ongoing study of the current and potential impacts of the cruise industry in Hawaii by urging the entities in the cruise industry to fully, and in good faith, participate with the study.

The Department of Business, Economic Development, and Tourism and North West CruiseShip Association (NWCA) submitted comments.

Upon further consideration and in light of testimony submitted on this matter, your Committee has amended this measure by:

- (1) Specifying that all entities involved in the study, both public and private, work together in good faith towards its completion;
- (2) Changing its title to read as follows:

"STRONGLY URGING ALL ENTITIES INVOLVED IN THE STUDY, BOTH PUBLIC AND PRIVATE, TO WORK TOGETHER IN GOOD FAITH TO COMPLETE THE ONGOING STUDY ENTITLED THE "HAWAII CRUISE INDUSTRY STUDY," International Affairs ENDED TO ASSESS THE CURRENT AND POTENTIAL IMPACTS OF THE CRUISE INDUSTRY ON EACH ISLAND AND THE STATE UNTIL THE YEAR 2018.";
- (3) Deleting the provisions that reference the cruise industry's lack of cooperation and participation with the ongoing study;
- (4) Clarifying that Module 1 of the ongoing study has been completed in draft form;
- (5) Including NWCA in the list of entities to receive a copy of the measure; 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 Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 207, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 207, H.D. 1.

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

SCRep. 1797-08 Tourism & Culture on H.C.R. No. 245

The purpose of this concurrent resolution is to support the ongoing study of the current and potential impacts of the cruise industry in Hawaii by urging the entities in the cruise industry to fully, and in good faith, participate with the study.

The Department of Business, Economic Development, and Tourism and North West CruiseShip Association (NWCA) submitted comments.

Upon further consideration and in light of testimony submitted on this matter, your Committee has amended this measure by:

- (1) Specifying that all entities involved in the study, both public and private, work together in good faith towards its completion;
- (2) Changing its title to read as follows:

"STRONGLY URGING ALL ENTITIES INVOLVED IN THE STUDY, BOTH PUBLIC AND PRIVATE, TO WORK TOGETHER IN GOOD FAITH TO COMPLETE THE ONGOING STUDY ENTITLED THE "HAWAII CRUISE INDUSTRY STUDY," International Affairs ENDED TO ASSESS THE CURRENT AND POTENTIAL IMPACTS OF THE CRUISE INDUSTRY ON EACH ISLAND AND THE STATE UNTIL THE YEAR 2018.";
- (3) Deleting the provisions that reference the cruise industry's lack of cooperation and participation with the ongoing study;
- (4) Clarifying that Module 1 of the ongoing study has been completed in draft form;

- (5) Including NWCA in the list of entities to receive a copy of the measure; 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 Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 245, H.D. 1.

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

SCRep. 1798-08 Tourism & Culture on H.C.R. No. 81

The purpose of this concurrent resolution is to honor Hawaii's strong and vibrant Scottish heritage by expressing the Legislature's support for the designation of April 6 of every year as Tartan Day in Hawaii.

A concerned individual supported this measure. A concerned individual supported the measure with amendments. The Caledonian Society of Hawaii supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Clarifying the characteristics and meanings of the colors found in the tartan selected to represent the State of Hawaii;
- (2) Deleting the Celtic Pipes and Drums of Hawaii from the list of entities to receive a copy of this measure; 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. 81, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 81, H.D. 1.

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

SCRep. 1799-08 Energy & Environmental Protection/Judiciary on H.C.R. No. 350

The purpose of this concurrent resolution is to request the Judiciary to convene a task force to review the family court's judicial waiver process involving juvenile felony defendants.

For purposes of the public hearing, your Committees circulated a proposed H.D. 1 version that deletes the provisions of the concurrent resolution and inserts new language requesting the Department of Transportation (DOT) to provide an exemption from environmental assessment requirements for work being done by The Gas Company to extend a utility gas line under Moanalua Road for Kaiser Permanente and Moanalua Medical Center.

Kaiser Permanente Hawaii and The Gas Company supported the proposed H.D. 1. DOT provided comments.

Your Committees have amended this concurrent resolution by adopting the language in the proposed H.D. 1, and further amending the H.D. 1 version by:

- (1) Changing the title to read: REQUESTING THE DEPARTMENT OF TRANSPORTATION TO REASSESS ITS DECISION TO REQUIRE AN ENVIRONMENTAL ASSESSMENT FOR WORK BEING DONE BY THE GAS COMPANY TO EXTEND A UTILITY GAS LINE UNDER MOANALUA ROAD FOR KAISER PERMANENTE AND MOANALUA MEDICAL CENTER;
- (2) Requesting DOT to reassess its decision to require an environmental assessment for work being done by The Gas Company to extend a utility gas line under Moanalua Road for Kaiser Permanente and Moanalua Medical Center; and
- (3) Deleting the requirement for reports to be submitted to the Legislature by DOT.

The extension of the utility gas line is necessary to provide emergency power to the new expansion wing of the Moanalua Medical Center facility. The new building has already been built, and is scheduled to open on April 17, 2008. The opening of the Moanalua Medical Center as scheduled would benefit many residents seeking medical attention.

DOT has determined that an environmental assessment is required for the extension of the utility gas line because the installation of the section of line that passes underneath Moanalua Road comes into contact with state property. DOT relies on *Kahana Sunset Owners Association v. County of Maui*, 86 Hawaii 66 (1997), which states that an environmental assessment is mandatory when a 36-inch drainage line connecting to an existing culvert beneath a state highway constitutes a "use of state or county lands" within the class of actions triggering an environmental assessment, unless the project falls within an exemption. In *Kahana*, the project did not fall within a Maui County exemption for "installation of drains, sewers and waterlines within streets and highways" because the new drainage system would extend service to over 300 new residences, and may affect service to a nearby development.

However, it appears that the six-inch synthetic natural gas line that would serve as the fuel source for the emergency backup power system can be distinguished from the project in *Kahana* as having "minimal or no significant effect on the environment" and fall under the "construction or placement of minor structures accessory to existing facilities" exemption in section 11-200-8, Hawaii Administrative Rules. This would be consistent with the intent of the environmental review law to exempt projects that are "very minor projects."

Furthermore, the project which necessitates the extension of the gas line, which is the subject of the environmental assessment, is already complete.

Accordingly, your Committees conclude that an environmental assessment is unnecessary for this project.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 350, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 350, H.D. 1.

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

SCRep. 1800-08 Judiciary on H.R. No. 39

The purpose of this resolution is to condemn the genocide and violence in Northern Uganda and urge the United States (U.S.) Congress, with the support of the President and United Nations (U.N.), to engage the international community to take action to protect the children of Uganda.

The Invisible Children Hawaii Club of Hawaii Pacific University submitted testimony in support of this resolution.

Your Committee has amended this resolution by:

- (1) Adding to the list of persons designated to receive certified copies of this resolution two officials of the U.N., two officials of the U.S. Department of State, and one official of the U.S. Agency for International Development; and
- (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 concurs with the intent and purpose of H.R. No. 39, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 39, H.D. 2.

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

SCRep. 1801-08 Judiciary on H.C.R. No. 39

The purpose of this concurrent resolution is to condemn the genocide and violence in Northern Uganda and urge the United States (U.S.) Congress, with the support of the President and United Nations (U.N.), to engage the international community to take action to protect the children of Uganda.

The Invisible Children Hawaii Club of Hawaii Pacific University submitted testimony in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Adding to receive certified copies of this concurrent resolution two officials of the U.N., two officials of the U.S. Department of State, and one official of the U.S. Agency for International Development to the list of persons designated; and
- (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 concurs with the intent and purpose of H.C.R. No. 39, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 39, H.D. 2.

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

SCRep. 1802-08 Judiciary on H.C.R. No. 173

The purpose of this concurrent resolution is to request the Department of the Attorney General (AG) to conduct a study of, and propose legislation to allow for the use of the real property donative transfer device known as a revocable beneficiary deed.

Testimony in support of this measure was received from a concerned individual. Testimony in opposition to this measure was received from the AG.

Your Committee has amended this concurrent resolution by:

- (1) Changing, from the AG to the Legislative Reference Bureau, the party requested to undertake the study and to report to the legislature;
- (2) Amending the scope of the study to require only identification and description of similar donative transfer devices under current state law, rather than of all existing real property donative transfer devices; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 173, H.D. 1.

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

SCRep. 1803-08 Finance on H.R. No. 20

The purpose of this resolution is to urge the Departments of Health and Human Services to provide adult residential care home operators with the services necessary to assist them in providing care for adults

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. 20, H.D. 1, and recommends its adoption.

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

SCRep. 1804-08 Finance on H.C.R. No. 20

The purpose of this concurrent resolution is to urge the Departments of Health and Human Services to provide adult residential care home operators with the services necessary to assist them in providing care for adults.

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. 20, H.D. 1, and recommends its adoption.

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

SCRep. 1805-08 Finance on H.R. No. 21

The purpose of this resolution is to urge the Departments of Health and Human Services to work together to develop a standardized, workable policy to protect the elderly without compromising resident care, and that encourages more people to become adult residential care home or community care foster family home operators.

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. 21, H.D. 1, and recommends its adoption.

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

SCRep. 1806-08 Finance on H.C.R. No. 21

The purpose of this concurrent resolution is to urge the Departments of Health and Human Services to work together to develop a standardized, workable policy to protect the elderly without compromising resident care, and that encourages more people to become adult residential care home or community care foster family home operators.

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. 21, H.D. 1, and recommends its adoption.

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

SCRep. 1807-08 Finance on H.R. No. 50

The purpose of this resolution is to request the Department of Health to assess the advantages and disadvantages of requiring cervical cancer vaccinations of girls before they enter the seventh grade.

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. 50 and recommends its adoption.

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

SCRep. 1808-08 Finance on H.C.R. No. 51

The purpose of this concurrent resolution is to request the Department of Health to assess the advantages and disadvantages of requiring cervical cancer vaccinations of girls before they enter the seventh grade.

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. 51 and recommends its adoption.

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

SCRep. 1809-08 Finance on H.R. No. 59

The purpose of this resolution is to request the Board of Land and Natural Resources to assist the Pacific Gateway Center in finding an appropriate location to lease for the purpose of developing the Ke‘ehi Community Resource Center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 59, H.D. 1, and recommends its adoption.

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

SCRep. 1810-08 Finance on H.C.R. No. 68

The purpose of this concurrent resolution is to request the Board of Land and Natural Resources to assist the Pacific Gateway Center in finding an appropriate location to lease for the purpose of developing the Ke‘ehi Community Resource Center.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 68, H.D. 1, and recommends its adoption.

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

SCRep. 1811-08 Finance on H.C.R. No. 60

The purpose of this concurrent resolution is requesting the Department of Land and Natural Resources to provide an inventory of camping facilities and campsites available statewide and report on the conditions of, and problems associated with, existing camping facilities and campsites in the state.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60 and recommends its adoption.

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

SCRep. 1812-08 Finance on H.C.R. No. 75

The purpose of this concurrent resolution is to request the Department of Agriculture to establish a working group to evaluate Hawaii's food readiness and food security in response to natural or man-made disasters.

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. 75, H.D. 1, and recommends its adoption.

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

SCRep. 1813-08 Finance on H.C.R. No. 76

The purpose of this concurrent resolution is to request the Natural Energy Laboratory of Hawaii Authority to develop a strategy to fully transition its facility to renewable energy.

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. 76 and recommends its adoption.

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

SCRep. 1814-08 Finance on H.R. No. 67

The purpose of this resolution is to request that the Department of Accounting and General Services study and evaluate alternative methods of 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.R. No. 67, H.D. 1, and recommends its adoption.

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

SCRep. 1815-08 Finance on H.C.R. No. 83

The purpose of this concurrent resolution is to request that the Department of Accounting and General Services study and evaluate alternative methods of 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. 83, H.D. 1, and recommends its adoption.

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

SCRep. 1816-08 Finance on H.R. No. 98

The purpose of this resolution is to request the Department of Design and Construction of the City and County of Honolulu to conduct a study on the repairing and repaving of surface streets along Farrington Highway in Leeward Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 98 and recommends its adoption.

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

SCRep. 1817-08 Finance on H.C.R. No. 115

The purpose of this concurrent resolution is to request the Department of Design and Construction of the City and County of Honolulu to conduct a study on the repairing and repaving of surface streets along Farrington Highway in Leeward Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 115 and recommends its adoption.

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

SCRep. 1818-08 Finance on H.R. No. 101

The purpose of this resolution is to urge the University of Hawaii to begin rebuilding the School of Public Health by 2012.

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. 101 and recommends its adoption.

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

SCRep. 1819-08 Finance on H.C.R. No. 119

The purpose of this concurrent resolution is to urge the University of Hawaii to begin rebuilding the School of Public Health by 2012.

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 and recommends its adoption.

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

SCRep. 1820-08 Finance on H.R. No. 117

The purpose of this resolution is to request the Department of Land and Natural Resources and the Department of Public Safety to develop a plan to establish a statewide inmate conservation corps pilot 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.R. No. 117, H.D. 1, and recommends its adoption.

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

SCRep. 1821-08 Finance on H.C.R. No. 136

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources and the Department of Public Safety to develop a plan to establish a statewide inmate conservation corps pilot 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. 136, H.D. 1, and recommends its adoption.

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

SCRep. 1822-08 Finance on H.R. No. 131

The purpose of this resolution is to request the University of Hawaii Board of Regents to study the feasibility and benefits of allowing the campus ceilings for nonresident enrollments to be set on a campus-by-campus basis, or alternatively, of lifting the ceilings.

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, H.D. 1, and recommends its adoption.

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

SCRep. 1823-08 Finance on H.C.R. No. 158

The purpose of this concurrent resolution is to request the University of Hawaii Board of Regents to study the feasibility and benefits of allowing the campus ceilings for nonresident enrollments to be set on a campus-by-campus basis, or alternatively, of lifting the ceilings.

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, H.D. 1, and recommends its adoption.

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

SCRep. 1824-08 Finance on H.C.R. No. 170

The purpose of this concurrent resolution is to request the University of Hawai'i and the Department of Education to develop, offer, and expand Philippine language courses.

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. 170 and recommends its adoption.

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

SCRep. 1825-08 Finance on H.R. No. 157

The purpose of this resolution is to request the Department of Human Services to study the feasibility of implementing a smoking cessation benefit to Hawaii Quest beneficiaries.

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. 157 and recommends its adoption.

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

SCRep. 1826-08 Finance on H.C.R. No. 187

The purpose of this concurrent resolution is to request the Department of Human Services to study the feasibility of implementing a smoking cessation benefit to Hawaii Quest beneficiaries.

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. 187 and recommends its adoption.

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

SCRep. 1827-08 Finance on H.R. No. 190

The purpose of this resolution is to request the Honolulu Department of Transportation Services, in conjunction with the Honolulu Design and Construction Department and the State Department of Transportation, to study the feasibility of realigning Hakimo Road at the Junction with Farrington Highway.

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. 190 and recommends its adoption.

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

SCRep. 1828-08 Finance on H.C.R. No. 223

The purpose of this concurrent resolution is to request the Honolulu Department of Transportation Services, in conjunction with the Honolulu Design and Construction Department and the State Department of Transportation, to study the feasibility of realigning Hakimo Road at the Junction with Farrington Highway.

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. 223 and recommends its adoption.

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

SCRep. 1829-08 Finance on H.R. No. 191

The purpose of this resolution is to request the Department of Transportation to review and update prior studies relating to the identification and feasibility of an alternate route into and out of the Waianae Coast on Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 191 and recommends its adoption.

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

SCRep. 1830-08 Finance on H.C.R. No. 224

The purpose of this concurrent resolution is to request the Department of Transportation to review and update prior studies relating to the identification and feasibility of an alternate route into and out of the Waianae Coast on Oahu.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 224 and recommends its adoption.

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

SCRep. 1831-08 Finance on H.R. No. 192

The purpose of this resolution is to request the Department of Health and Department of Education to provide a comprehensive report of Post Felix Consent Decree Child and Adolescent Mental Health Services and Funding.

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. 192, H.D. 1, and recommends its adoption.

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

SCRep. 1832-08 Finance on H.C.R. No. 225

The purpose of this concurrent resolution is to request the Department of Health and Department of Education to provide a comprehensive report of Post Felix Consent Decree Child and Adolescent Mental Health Services and Funding.

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. 225, H.D. 1, and recommends its adoption.

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

SCRep. 1833-08 Finance on H.R. No. 198

The purpose of this resolution is to support federal tax incentives to encourage the use of renewable energy sources.

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. 198, H.D. 1, and recommends its adoption.

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

SCRep. 1834-08 Finance on H.C.R. No. 235

The purpose of this concurrent resolution is to support federal tax incentives to encourage the use of renewable energy sources.

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. 235, H.D. 1, and recommends its adoption.

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

SCRep. 1835-08 Finance on H.R. No. 200

The purpose of this resolution is to request the Department of Land and Natural Resources, with the assistance of the Department of Transportation, to study the feasibility of a private-public partnership to develop a boat marina near Keehi Lagoon.

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. 200 and recommends its adoption.

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

SCRep. 1836-08 Finance on H.C.R. No. 237

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources, with the assistance of the Department of Transportation, to study the feasibility of a private-public partnership to develop a boat marina near Keehi Lagoon.

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. 237 and recommends its adoption.

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

SCRep. 1837-08 Finance on H.R. No. 209

The purpose of this resolution is to request the United States Congress to enact legislation to waive single state agency requirements with regard to the administration of funds under the Homeland Security Grant 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.R. No. 209 and recommends its adoption.

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

SCRep. 1838-08 Finance on H.C.R. No. 247

The purpose of this concurrent resolution is to request the United States Congress to enact legislation to waive single state agency requirements with regard to the administration of funds under the Homeland Security Grant 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. 247 and recommends its adoption.

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

SCRep. 1839-08 Finance on H.C.R. No. 258

The purpose of this concurrent resolution is to request the Office of State Planning to coordinate the city and state agencies in addressing the overgrowth of vegetation on Kahala Beach.

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. 258 and recommends its adoption.

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

SCRep. 1840-08 Finance on H.R. No. 221

The purpose of this resolution is to request the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo, in collaboration with the Department of Agriculture and Hawaii Community College, to conduct a study on the programs developed by the Kulani Correctional Facility that would aid in the revitalization of state agriculture.

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. 221, H.D. 1, and recommends its adoption.

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

SCRep. 1841-08 Finance on H.C.R. No. 260

The purpose of this concurrent resolution is to request the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo, in collaboration with the Department of Agriculture and Hawaii Community College, to conduct a study on the programs developed by the Kulani Correctional Facility that would aid in the revitalization of state agriculture.

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. 260, H.D. 1, and recommends its adoption.

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

SCRep. 1842-08 Finance on H.R. No. 225

The purpose of this resolution is to request the Department of Education to explore the feasibility of and to develop a plan therefore relocating the Kapaa Public Library.

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. 225 and recommends its adoption.

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

SCRep. 1843-08 Finance on H.C.R. No. 265

The purpose of this concurrent resolution is to request the Department of Education to explore the feasibility of and to develop a plan therefore relocating the Kapaa Public Library.

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. 265 and recommends its adoption.

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

SCRep. 1844-08 Finance on H.R. No. 242

The purpose of this resolution is to request the Department of Education to establish a pilot program to allow public school principals to use a debit card system for purchasing school supplies and other related curriculum support supplies.

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. 242 and recommends its adoption.

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

SCRep. 1845-08 Finance on H.C.R. No. 290

The purpose of this concurrent resolution is to request the Department of Education to establish a pilot program to allow public school principals to use a debit card system for purchasing school supplies and other related curriculum support supplies.

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. 290 and recommends its adoption.

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

SCRep. 1846-08 Finance on H.R. No. 246

The purpose of this resolution is to offer support to the University of Hawaii in its efforts to enhance and diversify its sources of revenue and maximize use of its facilities.

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. 246 and recommends its adoption.

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

SCRep. 1847-08 Finance on H.C.R. No. 295

The purpose of this concurrent resolution is to offer support to the University of Hawaii in its efforts to enhance and diversify its sources of revenue and maximize use of its facilities.

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. 295 and recommends its adoption.

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

SCRep. 1848-08 Finance on H.R. No. 252

The purpose of this resolution is to urge the Department of Transportation to adopt a "Complete Streets" policy.

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. 252 and recommends its adoption.

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

SCRep. 1849-08 Finance on H.C.R. No. 302

The purpose of this concurrent resolution is to urge the Department of Transportation to adopt a "Complete Streets" policy.

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. 302 and recommends its adoption.

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

SCRep. 1850-08 Finance on H.C.R. No. 306

The purpose of this concurrent resolution is to request the Office of Planning to establish a temporary Hawaii Sustainable Interisland Transportation Task Force.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 306, H.D. 1, and recommends its adoption.

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

SCRep. 1851-08 Finance on H.C.R. No. 314

The purpose of this concurrent resolution is to urge the University of Hawaii to establish and administer a rehabilitative and related services graduate school loan program within its Center on Disability Studies.

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. 314 and recommends its adoption.

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

SCRep. 1852-08 Finance on H.C.R. No. 329

The purpose of this concurrent resolution is to request the Department of Education to provide opportunities for students to learn about Hawaii labor history.

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 Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1853-08 Finance on H.R. No. 293

The purpose of this resolution is to request the Department of Agriculture to consult with other public and private entities to develop a plan to optimize the use of the Kula Vacuum Cooling Plant.

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. 293 and recommends its adoption.

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

SCRep. 1854-08 Finance on H.C.R. No. 356

The purpose of this concurrent resolution is to request the Department of Agriculture to consult with other public and private entities to develop a plan to optimize the use of the Kula Vacuum Cooling Plant.

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. 356 and recommends its adoption.

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

SCRep. 1855-08 Finance on H.C.R. No. 358

The purpose of this concurrent resolution is to request the Department of Commerce and Consumer Affairs to establish a task force to solicit public input and examine methods other than the public procurement code process to oversee Public, Education, and Government Access Organizations' expenditures and ensure proper checks and balances.

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. 358, H.D. 1, and recommends its adoption.

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

SCRep. 1856-08 Finance on H.R. No. 297

The purpose of this resolution is to request Maui County Civil Defense Agency to prepare a disaster contingency plan to maintain continued transportation access along the Hana Highway, including its one-lane bridges, during catastrophic events.

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. 297 and recommends its adoption.

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

SCRep. 1857-08 Finance on H.C.R. No. 361

The purpose of this concurrent resolution is to request Maui County Civil Defense Agency to prepare a disaster contingency plan to maintain continued transportation access along the Hana Highway, including its one-lane bridges, during catastrophic events.

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. 361 and recommends its adoption.

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

SCRep. 1858-08 Finance on H.R. No. 298

The purpose of this resolution is to request the counties to consider establishing real property tax hardship exemptions to assist residential property taxpayers in jeopardy of losing their property due to costs associated with recovering from natural or man-made disasters.

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. 298, H.D. 1, and recommends its adoption.

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

SCRep. 1859-08 Finance on H.C.R. No. 362

The purpose of this concurrent resolution is to request the counties to consider establishing real property tax hardship exemptions to assist residential property taxpayers in jeopardy of losing their property due to costs associated with recovering from natural or man-made disasters.

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. 362, H.D. 1, and recommends its adoption.

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

SCRep. 1860-08 Public Safety & Military Affairs on H.C.R. No. 175

The purpose of this measure is to urge the counties to work with the Civil Defense Division of the Department of Defense to develop methods of expediting the installation or construction of emergency warning sirens throughout the State in the event of disaster.

Testimony in support of this measure was received from the state Department of Defense, Civil Defense Division.

Your Committee circulated a proposed draft of this measure that requests the Department of Education to create a task force for the purpose of studying the Interstate Compact on Educational Opportunity for Military Children. Testimony in support of the proposed draft was received from the United States Pacific Command, and late testimony opposing the proposed draft was submitted by the Office of the Governor.

Your Committee finds that providing stability and continuity for military children transferring between school districts and states is an important goal. Your Committee further finds that the intent of an interstate compact is to facilitate a more uniform approach between states; however, a thorough analysis of our Department of Education's approach to addressing and resolving the concerns of military children is not yet complete.

Upon further consideration, your Committee has amended this measure by adopting the proposed draft. As amended, the measure requests the Department of Education to form a task force to:

- (1) Study the Interstate Compact on Educational Opportunity for Military Children;
- (2) Review the Department's current practices and procedures regarding issues related to military children;
- (3) Recommend the State's most appropriate course of action relating to the Compact and any necessary changes to current department practices; and
- (4) Submit a report of findings and recommendations to the Legislature prior to the convening of the Regular Session of 2009.

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. 175, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representatives Nakasone, Sonson, Souki, Takamine and Pine. (Representative Takumi voted no.)

SCRep. 1861-08 Higher Education on S.C.R. No. 94

The purpose of this concurrent resolution is to seek resolution to the serious decline in Hawaii's public health workforce by urging the University of Hawaii to rebuild the School of Public Health by 2012 to expand the education and training of future public health workers.

Testimony in support of this measure was received from the Coalition For a Tobacco-Free Hawaii, Hawaii State Rural Health Association, Hui Ola Pono, and seven concerned citizens.

The University of Hawaii System submitted comments on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 94 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1862-08 Higher Education on S.C.R. No. 180

The purpose of this concurrent resolution is for the Legislature to offer support to the University of Hawaii in its efforts to enhance and diversify its sources of revenue and maximize use of its facilities.

The University of Hawaii System testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1863-08 Higher Education on S.C.R. No. 184

The purpose of this concurrent resolution is to request the University of Hawaii to report on Higher Education Student Financial Assistance Commissions in other states.

Testimony in support of the measure was submitted by the University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 184 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki and Takamine.

SCRep. 1864-08 Higher Education/Education on S.C.R. No. 120

The purpose of this concurrent resolution is to request the University of Hawaii and the Department of Education to develop a plan to offer Philippine language and related courses and teacher training, including recommendations to implement these courses in specific schools within the Department of Education (DOE) and University of Hawaii campuses.

Testimony in support of this measure was received from the Congress of Visayan Organizations, Filipino American Citizens League, Filipino Coalition for Solidarity, National Federation of Filipino American Associations Region XII, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, United Filipino Council of Hawaii, and six concerned citizens. One individual gave oral testimony in support of this measure.

The University of Hawaii System and the DOE submitted comments on 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 S.C.R. No. 120 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Nishimoto, Saiki, Takai and Takamine.

SCRep. 1865-08 Transportation on H.C.R. No. 27

The purpose of this concurrent resolution, as received by your Committee, is to work towards finding a solution for the poor conditions of some of Honolulu's roadways by urging the City and County of Honolulu to conduct a one year pilot program using concrete rather than asphalt for repairing Kamehameha IV Road and Kalihi Street.

Prior to the hearing, your Committee drafted and posted a proposed H.D. 1 for which testimony was accepted. As amended, this concurrent resolution attempted to address concerns expressed about the awarding of the airport shuttle service contract by requesting the procurement officer of the Department of Transportation (DOT) to prepare a report explaining the procurement process used to award the Wiki Wiki Shuttle service contract at Honolulu Airport.

The Hawaii Teamsters and several individuals testified in support of the proposed H.D. 1. DOT did not support the measure. The Legislative Reference Bureau (LRB) provided comments.

The Wiki Wiki Shuttle Service provided at Honolulu International Airport is a contracted service that is put out to bid by DOT. Your Committee was made aware of numerous concerns regarding the awarding of this contract that require further information to resolve. Your Committee was also informed by LRB that it may be more efficient and effective if references to LRB were removed from the resolution. In that way, LRB could work directly with the Committee in addressing the issues identified in the measure without having to compose a formal report to the Legislature, which would lengthen the time it would take to get the information to legislators.

Your Committee has amended this concurrent resolution by adopting language contained in the proposed H.D. 1. As amended, the measure:

- (1) Requests the procurement officer of DOT to prepare a report explaining the procurement process used to award the Honolulu Wiki Wiki Shuttle Service contract and include the reasons for the decision of the new contractor not to hire the employees of the former contractor and the steps, if any, taken by the procurement officer to protect the jobs of these employees; and
- (2) Urges DOT to consider rebidding the Wiki Wiki Shuttle Service contract and insert a provision into the new contract that requires the hiring of employees of the previous contractor.

Additionally, your Committee has further amended this measure by:

- (1) Changing its title to read: "REQUESTING THE PROCUREMENT OFFICER OF THE DEPARTMENT OF TRANSPORTATION TO PREPARE A REPORT EXPLAINING THE PROCUREMENT PROCESS USED TO AWARD THE HONOLULU WIKI WIKI SERVICE CONTRACT"; and
- (2) Deleting the request that LRB report on the changes that need to be made to existing statutes to require a successor contractor to employ the employees of the former contractor when a state contract is awarded and submit this report to the Legislature.

Other technical nonsubstantive amendments were 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. 27, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 27, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Nakasone, Takamine, Meyer and Pine.

SCRep. 1866-08 Transportation on H.C.R. No. 105

The purpose of this concurrent resolution, as received by your Committee, is to work towards providing an easier and safer access to public transportation in West Oahu by requesting the Mayor, the Director of Transportation Services of the City and County of Honolulu, and Oahu Transit Services, Inc., to consider adding an additional bus stop on Farrington Highway fronting the mountainside of the Hawaii Medical Center on Farrington Highway.

Prior to the hearing, your Committee drafted and posted a proposed H.D. 1 for which testimony was accepted. As amended, this concurrent resolution attempts to address concerns raised regarding the future of Hawaii's inter-island airline industry by strongly urging the

United States Congress to enact federal legislation to allow Hawaii to regulate air carriers operating between the islands in the state under Chapter 261C, Hawaii Revised Statutes.

A concerned individual supported the proposed H.D. 1.

The recent demise of Aloha Airlines (Aloha) has placed the inter-island airline market in a precarious position. Although a number of air carriers currently exist, their total carrying capacity is not sufficient to replace the amount of airline lift that was lost with the departure of Aloha. While the federal Airline Deregulation Act of 1978 preempted states from regulating inter-state air transportation, Hawaii is in a unique situation. The United States Department of Transportation (USDOT) currently views inter-island air travel as inter-state transport by virtue of the certification that air carriers servicing the islands receive from USDOT.

However, air transportation is the primary means by which residents and visitors travel between the major islands of our state. In essence Hawaii's airspace is its inter-state highway system. Disruption or loss of this means of transportation will severely impact the residents of Hawaii and may seriously affect the economy of the State. Thus, your Committee finds that it is necessary that Hawaii be allowed to regulate inter-island air carriers. As enactment of federal legislation is necessary to allow Hawaii to do this, Congress should be urged to enact such legislation.

Accordingly, your Committee has amended this concurrent resolution by adopting the language contained in the proposed H.D. 1. As amended, this measure strongly urges the United States Congress to enact federal legislation to allow Hawaii to regulate air carriers operating between islands in the state through the implementation of state regulatory statutes.

Additionally, your Committee has amended this measure by:

- (1) Changing its title to read: "STRONGLY URGING THE UNITED STATES CONGRESS TO ENACT FEDERAL LEGISLATION TO ALLOW HAWAII TO REGULATE AIR CARRIERS OPERATING BETWEEN ISLANDS IN THE STATE UNDER THE HAWAII REVISED STATUTES"; and
- (2) Making technical, nonsubstantive amendments for purposes of 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. 105, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 105, H.D. 1.

Signed by all members of the Committee except Representatives McKelvey, Nakasone, Takamine, Meyer and Pine.

SCRep. 1867-08 Legislative Management on H.C.R. No. 164

The purpose of this concurrent resolution is to safeguard consumer safety by requesting the Auditor to conduct a comprehensive study on the impact of Act 226, Session Laws of Hawaii 2007, on nurse aides employed in state-licensed or state-certified health care settings.

The Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and Hawaii Long Term Care Association testified in support of this measure. The American Red Cross, Hawaii State Chapter, offered comments.

Act 226 provided a means for nurse aides to be certified. However, it did not address the cost of recertification and competency evaluations which can range from \$250 to \$400. Therefore, this measure requests the Auditor to study, among other things, the possibility of identifying other sources of funding to pay for these costs.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164 and recommends its adoption.

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

SCRep. 1868-08 Legislative Management on H.C.R. No. 288

The purpose of this concurrent resolution is to ensure public safety by requesting the Auditor to conduct a sunrise review of legislation that proposes to regulate persons who apprehend bail agents.

Before new measures can be enacted that would subject unregulated professions to licensing or other regulatory control, Section 26H-6, Hawaii Revised Statutes, requires that the Auditor analyze the proposals.

An individual from the Outrigger Enterprise Group offered testimony in support 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. 288 and recommends its adoption.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1869-08 Legislative Management on H.C.R. No. 62

The purpose of this concurrent resolution is to reduce the effects of autism spectrum disorders on children by requesting the Auditor to conduct an impact assessment report of the social and financial impacts of mandating health insurers to provide coverage for the diagnosis and treatment of this developmental disorder.

The State Council on Developmental Disabilities, Disability and Communication Access Board, Autism Speaks, the Hawaii Disability Rights Center, Autism Society of Hawaii, and several individuals testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Inserting references to H.B. No. 2727 to this measure to comply with the requirements of section 23-51, 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 Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 62, H.D. 1.

Signed by all members of the Committee except Representatives Chong and Finnegan.

SCRep. 1870-08 Legislative Management on H.C.R. No. 125

The purpose of this concurrent resolution is to ensure the availability of affordable housing by requesting the Auditor to examine the issue of upcoming condominium lease expirations and its impact on the availability of replacement and affordable housing for Hawaii residents.

Numerous individuals from various condominium associations, individual leaseholders testified in support of this resolution.

This House concurrent resolution is amended by modifying and adding lines 18 thru 34 of page 3.

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. 125, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 125, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1871-08 Legislative Management on H.C.R. No. 214

The purpose of this concurrent resolution is to determine if placement of Hawaii inmates in mainland prisons is cost effective and reduces recidivism. This measure requests the Auditor to conduct a performance audit of the Department of Public Safety's Mainland and Federal Detention Center Branch on contract compliance of private prisons that house Hawaii inmates.

The American Civil Liberties Union of Hawaii testified in support of this measure. Community Alliance on Prisons offered comments.

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

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 214, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 214, H.D. 2.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1872-08 Legislative Management on H.C.R. No. 231

The purpose of this concurrent resolution is to enable voters to make an informed decision regarding the convening of a constitutional convention in 2010 by requesting the Legislative Reference Bureau (LRB) to estimate the projected total cost of such an undertaking.

The Representative from the Twenty-fifth District testified in support of this measure and the Acting Director of LRB offered comments.

This concurrent resolution is amended by deleting from the title and body referencing the year 2010.

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. 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 Representative Finnegan.

SCRep. 1873-08 Legislative Management on H.C.R. No. 349

The purpose of this concurrent resolution is to address concerns over rising medical malpractice insurance premium rates by requesting the Legislative Reference Bureau (LRB) to study the effects of medical tort reform on access to health care.

The Hawaii Association of Health Plans testified in support of this measure. LRB, Department of Commerce and Consumer Affairs, Consumer Lawyers of Hawaii, and an individual offered comments.

Your Committee has amended this concurrent resolution by:

- (1) Clarifying the type of information to be collected;
- (2) Specifying that information also be collected from states without liability limitations; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 349, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 349, H.D. 1.

Signed by all members of the Committee except Representative Finnegan.

SCRep. 1874-08 Tourism & Culture on H.R. No. 181

The purpose of this resolution is to support Hawaii's visitor industry by requesting the Hawaii Tourism Authority (HTA) to make every effort to negotiate a contract extension with the National Football League to keep the Pro Bowl in Honolulu.

The Mayor of the City and County of Honolulu and a concerned individual supported this measure. HTA opposed this measure.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 181 and recommends its adoption.

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

SCRep. 1875-08 Tourism & Culture on H.C.R. No. 213

The purpose of this concurrent resolution is to support Hawaii's visitor industry by requesting the Hawaii Tourism Authority (HTA) to make every effort to negotiate a contract extension with the National Football League to keep the Pro Bowl in Honolulu.

The Mayor of the City and County of Honolulu and a concerned individual supported this measure. HTA opposed this measure.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee 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 Berg and Wakai.

SCRep. 1876-08 Tourism & Culture on H.R. No. 96

The purpose of this resolution is to promote global connectivity among the islands of Polynesia and encourage meaningful and mutually rewarding cultural, social, economic, and political collaboration by requesting the Governor to establish a relationship between Hawaii and the islands of Polynesia.

Prior to the public hearing on this measure, your Committee distributed a proposed H.D. 2, which specified a list of jurisdictions to be included when establishing the relationship.

The Office of Hawaiian Affairs, Kamehameha Schools, Bishop Museum, Iolani Palace, Council for Native Hawaiian Advancement, Hawaiian Political Action Council of Hawaii, and a concerned individual supported the measure.

Your Committee has amended this measure by incorporating the provisions of the proposed H.D. 2.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 96, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 96, H.D. 2.

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

SCRep. 1877-08 Tourism & Culture on H.C.R. No. 113

The purpose of this concurrent resolution is to promote global connectivity among the islands of Polynesia and encourage meaningful and mutually rewarding cultural, social, economic, and political collaboration by requesting the Governor to establish a relationship between Hawaii and the islands of Polynesia.

Prior to the public hearing on this measure, your Committee distributed a proposed H.D. 2, which specified a list of jurisdictions to be included when establishing the relationship.

The Office of Hawaiian Affairs, Kamehameha Schools, Bishop Museum, Iolani Palace, Council for Native Hawaiian Advancement, Hawaiian Political Action Council of Hawaii, and a concerned individual supported the measure.

Your Committee has amended this measure by incorporating the provisions of the proposed H.D. 2.

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. 113, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 113, H.D. 2.

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

SCRep. 1878-08 Water, Land, Ocean Resources & Hawaiian Affairs on H.C.R. No. 348

The purpose of this Concurrent Resolution is to submit to the Legislature action taken by the Board of Land and Natural Resources approving in principle a land exchange pursuant to section 171-50, Hawaii Revised Statutes.

Your Committee heard a proposed H.D. 1 to amend the measure replacing its title and contents to instead request the Land Use Commission and the county councils and the planning commissions of Maui and Kauai counties to recognize that vacation rental uses in single-family dwellings and farm dwellings in state agricultural districts are not prohibited under chapter 205, Hawaii Revised Statutes.

Your Committee received testimony in support of the proposed H.D. 1 from the Maui Vacation Rental Association; the Kauai Alternate Vacation Association; Steelgrass Farm; Case Lombardi and Pettit, A Law Corporation; Belles Graham Proudfoot Wilson & Chun, LLP Attorneys at Law; and four individuals.

The Department of Agriculture, the Maui County Council, the Vice Chairperson of the Kauai County Council, a Kauai County Councilmember, the Maui County Farm Bureau, the Hawaii Farm Bureau Federation, Hawaii's Thousand Friends, and three individuals opposed this measure.

One individual submitted comments on the measure.

Your Committee finds that alternative visitor accommodations, including those in single-family dwellings and farm dwelling units, play a dual role in supporting both the tourism and agricultural industries. Some counties, however, have taken the position that chapter 205, Hawaii Revised Statutes, per se prohibits single-family and farm dwelling transient vacation rental uses within state agricultural districts without a special use permit.

This interpretation of chapter 205, Hawaii Revised Statutes, appears to be contrary to the legislative intent of Act 199, Session Laws of Hawaii 1976 with respect to prohibited uses in state agricultural districts and Act 186, Session laws of Hawaii 1980, which authorized the counties to restrict the location of transient vacation rentals to those existing in multifamily buildings.

After due consideration, and to clarify and assist the Legislature with crafting a solution to this measure, your Committee has amended the proposed H.D. 1 to request the Attorney General to review this issue and to submit a legal opinion to the Legislature as to whether vacation rental uses in single-family dwellings and farm dwellings in state agriculture districts are prohibited under chapter 205, Hawaii Revised Statutes.

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. 348, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 348, H.D. 1.

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

SCRep. 1879-08 Judiciary on H.R. No. 60

The purpose of this resolution is to facilitate an informed discussion of whether to retain, repeal, or amend Hawaii's current law regarding mandatory judicial retirement age, by establishing a task force to:

- (1) Collect relevant data, including practices in other jurisdictions; and
- (2) Identify public policies promoted or impeded by, and make recommendations on the repeal, amendment, or retention of the:
 - (A) Mandatory judicial retirement age;
 - (B) Judicial term limits;
 - (C) Lack of a senior judge system;

- (D) Current system of judicial accountability; and
- (E) Current means for determining judicial fitness.

The Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, and American Civil Liberties Union of Hawaii testified in support of this resolution.

Your Committee has amended this resolution by:

- (1) Adding a representative from the American Civil Liberties Union as a participant in the task force; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing its title to "ESTABLISHING A TASK FORCE TO REVIEW THE RETIREMENT AGE FOR STATE COURT JUSTICES AND JUDICIARYGES; THE TERM LIMITS OF STATE COURT JUSTICES AND JUDICIARYGES; THE POSSIBILITY OF ESTABLISHING A SENIOR JUDICIARYGE SYSTEM FOR STATE COURT JUSTICES AND JUDICIARYGES; JUDICIARYICIAL ACCOUNTABILITY AND FITNESS IN THE STATE OF HAWAII; AND RELATED MATTERS."

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. 60, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 60, H.D. 1.

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

SCRep. 1880-08 Judiciary on H.C.R. No. 69

The purpose of this concurrent resolution is to facilitate an informed discussion of whether to retain, repeal, or amend Hawaii's current law regarding mandatory judicial retirement age, by establishing a task force to:

- (1) Collect relevant data, including practices in other jurisdictions; and
- (2) Identify public policies promoted or impeded by, and make recommendations on the repeal, amendment, or retention of the:
 - (A) Mandatory judicial retirement age;
 - (B) Judicial term limits;
 - (C) Lack of a senior judge system;
 - (D) Current system of judicial accountability; and
 - (E) Current means for determining judicial fitness.

The Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, and American Civil Liberties Union of Hawaii testified in support of this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Adding a representative from the American Civil Liberties Union as a participant in the task force; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing its title to "ESTABLISHING A TASK FORCE TO REVIEW THE RETIREMENT AGE FOR STATE COURT JUSTICES AND JUDICIARYGES; THE TERM LIMITS OF STATE COURT JUSTICES AND JUDICIARYGES; THE POSSIBILITY OF ESTABLISHING A SENIOR JUDICIARYGE SYSTEM FOR STATE COURT JUSTICES AND JUDICIARYGES; JUDICIARYICIAL ACCOUNTABILITY AND FITNESS IN THE STATE OF HAWAII; AND RELATED MATTERS."

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. 69, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 69, H.D. 1.

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

SCRep. 1881-08 Finance on H.R. No. 62

The purpose of this resolution is to urge the Board of Education to only purchase or lease large school buses that have an operable seat belt assembly at all designated seating positions and have seat backs that are at least twenty-four inches in height in order to augment the safety of school buses in the State.

Numerous concerned individuals testified in support of this resolution. The Department of Education offered comments on this resolution.

Your Committee has amended this resolution by:

- (1) Changing its title to "HOUSE RESOLUTION REQUESTING THE BOARD OF EDUCATION TO STUDY SCHOOL BUS SEAT BELT POLICIES AND COMPILE DATA RELATING TO SCHOOL BUS SAFETY AND TO REPORT TO THE LEGISLATURE WITH RECOMMENDATIONS."
- (2) Deleting the recommendation that the Board of Education only purchase or lease large school buses that have an operable seat belt assembly at all designated seating positions and have seat backs that are at least twenty-four inches in height.
- (3) Deleting the recommendation that the Board of Education adopt rules requiring the use of these seat belt assemblies and take disciplinary against students in violation.
- (4) Adding the recommendation that the Board of Education compile and analyze data on all school bus accidents in the State in the past five years taking into account injuries sustained and costs to DOE.
- (5) Adding the recommendation that the Board of Education review and analyze DOE's current policy toward seat belt use on school buses.
- (6) Adding the recommendation that the DOE submit a report to the Legislature regarding issues related to seat belt use prior to the regular session of 2009.

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. 62, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 62, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1882-08 Finance on H.C.R. No. 71

The purpose of this concurrent resolution is to urge the Board of Education to only purchase or lease large school buses that have an operable seat belt assembly at all designated seating positions and have seat backs that are at least twenty-four inches in height in order to augment the safety of school buses in the State.

Numerous concerned individuals testified in support of this concurrent resolution. The Department of Education offered comments on this concurrent resolution.

Your Committee has amended this concurrent resolution by:

- (1) Changing its title to "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION TO STUDY SCHOOL BUS SEAT BELT POLICIES AND COMPILE DATA RELATING TO SCHOOL BUS SAFETY AND TO REPORT TO THE LEGISLATURE WITH RECOMMENDATIONS."
- (2) Deleting the recommendation that the Board of Education only purchase or lease large school buses that have an operable seat belt assembly at all designated seating positions and have seat backs that are at least twenty-four inches in height.
- (3) Deleting the recommendation that the Board of Education adopt rules requiring the use of these seat belt assemblies and take disciplinary against students in violation.
- (4) Adding the recommendation that the Board of Education compile and analyze data on all school bus accidents in the State in the past five years taking into account injuries sustained and costs to DOE.
- (5) Adding the recommendation that the Board of Education review and analyze DOE's current policy toward seat belt use on school buses.
- (6) Adding the recommendation that the DOE submit a report to the Legislature regarding issues related to seat belt use prior to the regular session of 2009.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 71, H.D. 2.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1883-08 Finance on H.R. No. 119

The purpose of this resolution is to request the JABSOM Telehealth Research Institute (TRI) to form a task force to explore the feasibility of expanding the State's telemedicine system.

Your Committee has amended this resolution by:

- (1) Requesting TRI, rather than the Director of Health, to appoint members to the task force.
- (2) Requesting TRI, rather than the Director of Health, to provide administrative, professional, technical and clerical support to the task force.
- (3) Including the Hawaii Medical Service Association as a member of the task force.
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

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. 119, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 119, H.D. 2.

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

SCRep. 1884-08 Finance on H.C.R. No. 138

The purpose of this concurrent resolution is to request the JABSOM Telehealth Research Institute (TRI) to form a task force to explore the feasibility of expanding the State's telemedicine system.

Your Committee has amended this concurrent resolution by:

- (1) Requesting TRI, rather than the Director of Health, to appoint members to the task force.
- (2) Requesting TRI, rather than the Director of Health, to provide administrative, professional, technical and clerical support to the task force.
- (3) Including the Hawaii Medical Service Association as a member of the task force.
- (4) Making technical, non-substantive amendments for clarity, consistency, and style.

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. 138, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 138, H.D. 2.

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

SCRep. 1885-08 Finance on H.R. No. 308

The purpose of this resolution is to request the Judiciary to report on the feasibility of creating a fifth judge of the circuit court of the second circuit and holding sessions on Molokai under certain circumstances.

The Judiciary provided comments on this resolution.

Your Committee has amended this resolution by requesting the Judiciary to work with the Molokai Police Department, the County of Maui Prosecuting Attorney's Office, State Public Defender's Office, Sheriff's Office, and private attorneys when conducting a feasibility study for creating a position for a fifth judge who shall hold sessions on Molokai.

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. 308, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 308, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1886-08 Finance on H.C.R. No. 372

The purpose of this concurrent resolution is to request the Judiciary to report on the feasibility of creating a fifth judge of the circuit court of the second circuit and holding sessions on Molokai under certain circumstances.

The Judiciary provided comments on this concurrent resolution.

Your Committee has amended this concurrent resolution by requesting the Judiciary to work with the Molokai Police Department, the County of Maui Prosecuting Attorney's Office, State Public Defender's Office, Sheriff's Office, and private attorneys when conducting a feasibility study for creating a position for a fifth judge who shall hold sessions on Molokai.

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. 372, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 372, H.D. 1.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1887-08 Finance on H.R. No. 174

The purpose of this resolution is to request the Department of Taxation to conduct a study on the feasibility of establishing computer generated auto-calculating tax forms.

The Department of Taxation provided comments on this resolution.

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. 174 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone, Pine and Ward.

SCRep. 1888-08 Finance on H.C.R. No. 206

The purpose of this concurrent resolution is to request the Department of Taxation to conduct a study on the feasibility of establishing computer generated auto-calculating tax forms.

The Department of Taxation provided comments on this concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 206 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone, Pine and Ward.

SCRep. 1889-08 Finance on H.R. No. 280

The purpose of this resolution is to mandate the creation of a single website for public access to state expenditures.

The Department of Accounting and General Services commented on this resolution.

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. 280 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1890-08 Finance on H.C.R. No. 339

The purpose of this concurrent resolution is to mandate the creation of a single website for public access to state expenditures.

The Department of Accounting and General Services commented on this concurrent resolution.

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. 339 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1891-08 Finance on H.R. No. 289

The purpose of this resolution is to request a study to determine the costs of repairing or reconstructing State buildings and facilities and the best practice of front loading these costs.

The Department of Accounting and General Services offered comments on this resolution.

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. 289 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1892-08 Finance on H.C.R. No. 351

The purpose of this concurrent resolution is to request a study to determine the costs of repairing or reconstructing State buildings and facilities and the best practice of front loading these costs.

The Department of Accounting and General Services offered comments on this concurrent resolution.

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. 351 and recommends its adoption.

Signed by all members of the Committee except Representatives Belatti, Carroll, Karamatsu, Nakasone and Pine.

SCRep. 1893-08 Economic Development & Business Concerns on H.R. No. 85

The purpose of this resolution is to allow the Governor to establish a state-province relationship between the Province of Negros Oriental in the Republic of the Philippines and the State of Hawaii.

The Balaan Catalina Society Inc., Congress of Visayan Organizations, Cebuano Association 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 Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 85 and recommends its adoption.

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

SCRep. 1894-08 Economic Development & Business Concerns on H.C.R. No. 103

The purpose of this concurrent resolution is to allow the Governor to establish a state-province relationship between the Province of Negros Oriental in the Republic of the Philippines and the State of Hawaii.

The Balaan Catalina Society Inc., Congress of Visayan Organizations, Cebuano Association 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 Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 103 and recommends its adoption.

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

SCRep. 1895-08 Economic Development & Business Concerns on H.R. No. 290

The purpose of this resolution is reduce Hawaii's use of potable water by urging the counties to adopt and implement a gray water recycling program.

The Department of Health, Kula Community Association, and a member of the Maui County Council testified in support of this measure.

Your Committee recognizes the fragility of Hawaii's natural environment and supports the reduction of water waste through reuse of gray water. Your Committee has amended this measure by specifying that the Department of Health provide guidelines to the counties for their gray water recycling programs.

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. 290, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 290, H.D. 2.

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

SCRep. 1896-08 Economic Development & Business Concerns on H.C.R. No. 353

The purpose of this concurrent resolution is reduce Hawaii's use of potable water by urging the counties to adopt and implement a gray water recycling program.

The Department of Health, Kula Community Association, and a member of the Maui County Council testified in support of this measure.

Your Committee recognizes the fragility of Hawaii's natural environment and supports the reduction of water waste through reuse of gray water. Your Committee has amended this measure by specifying that the Department of Health provide guidelines to the counties for their gray water recycling programs.

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. 353, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 353, H.D. 2.

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

SCRep. 1897-08 Economic Development & Business Concerns on H.R. No. 161

The purpose of this resolution is to encourage the Department of Business, Economic Development, and Tourism to establish a voluntary compliance program to encourage communities and businesses to convert to products other than polystyrene foam.

Sustainable Island Products, Hawaiian Earth Products, Styrophobia.com, Sierra Club Oahu Group, and several concerned individuals supported this measure. The Department of Business, Economic Development, and Tourism, American Chemistry Council, Windward Ahupuaa Alliance, and Hawaii Foam Products submitted testimony in opposition to this measure. The University of Hawaii Environmental Center and Hawaii Food Industry Association offered comments.

Your Committee recognizes the threat that nonbiodegradable polystyrene foam poses to Hawaii's fragile environment. However, at the same time your Committee notes that polystyrene foam is currently the most economical option for Hawaii's businesses and that a resolution requesting the establishment of a voluntary program is likely to have little effect on Hawaii's polystyrene foam use.

Accordingly, your Committee has amended this resolution by:

- (1) Changing its title to read: "REQUESTING THAT THE LEGISLATIVE REFERENCE BUREAU CONDUCT A FEASIBILITY STUDY ON THE USE OF POLYSTYRENE FOAM ALTERNATIVE PRODUCTS IN HAWAII;" and
- (2) Requesting the Legislative Reference Bureau to conduct a study on the feasibility of using polystyrene foam alternative products in Hawaii, including the economic impact that use of these products would have on Hawaii, and Hawaii's potential as a manufacturer of these products.

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. 161, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 161, H.D. 1.

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

SCRep. 1898-08 Economic Development & Business Concerns on H.C.R. No. 192

The purpose of this concurrent resolution is to encourage the Department of Business, Economic Development, and Tourism to establish a voluntary compliance program to encourage communities and businesses to convert to products other than polystyrene foam.

Sustainable Island Products, Hawaiian Earth Products, Styrophobia.com, Sierra Club Oahu Group, and several concerned individuals supported this measure. The Department of Business, Economic Development, and Tourism, American Chemistry Council, Windward Ahupuaa Alliance, and Hawaii Foam Products submitted testimony in opposition to this measure. The University of Hawaii Environmental Center and Hawaii Food Industry Association offered comments.

Your Committee recognizes the threat that nonbiodegradable polystyrene foam poses to Hawaii's fragile environment. However, at the same time your Committee notes that polystyrene foam is currently the most economical option for Hawaii's businesses and that a resolution requesting the establishment of a voluntary program is likely to have little effect on Hawaii's polystyrene foam use.

Accordingly, your Committee has amended this concurrent resolution by:

- (1) Changing its title to read: "REQUESTING THAT THE LEGISLATIVE REFERENCE BUREAU CONDUCT A FEASIBILITY STUDY ON THE USE OF POLYSTYRENE FOAM ALTERNATIVE PRODUCTS IN HAWAII;" and
- (2) Requesting the Legislative Reference Bureau to conduct a study on the feasibility of using polystyrene foam alternative products in Hawaii, including the economic impact that use of these products would have on Hawaii, and Hawaii's potential as a manufacturer of these products.

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. 192, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 192, H.D. 1.

Signed by all members of the Committee except Representatives Berg and Herkes.

SCRep. 1899-08 Economic Development & Business Concerns on H.R. No. 270

The purpose of this resolution is to establish the Cacao Task Force to complete a plan to expedite the production and commercialization of Hawaiian cacao.

Fine Chocolate Industry, ecolechocolat, Guittard Chocolate Company, Padovani's Chocolate, The Original Hawaiian Chocolate Factory, Sweet Paradise Chocolatier, Dole Food Company Hawaii, Hawaiian Fudge Sauce Company, and the Windward Ahupuaa Alliance supported this measure. The Department of Agriculture and the Department of Land and Natural Resources offered comments.

Your Committee recognizes the need to diversify Hawaii's economy and revitalize the use of its agricultural lands. Your Committee further recognizes that Hawaii has an ideal location for growing cacao, and in fact, is the only state in the nation that can grow cacao.

Your Committee has amended this measure by:

- (1) Replacing the reference to Castle & Cooke with a reference to Dole Food Company 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 Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 270, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 270, H.D. 2.

Signed by all members of the Committee except Representatives Berg and Herkes.

SCRep. 1900-08 Economic Development & Business Concerns on H.C.R. No. 326

The purpose of this concurrent resolution is to establish the Cacao Task Force to complete a plan to expedite the production and commercialization of Hawaiian cacao.

Fine Chocolate Industry, ecolechocolat, Guittard Chocolate Company, Padovani's Chocolate, The Original Hawaiian Chocolate Factory, Sweet Paradise Chocolatier, Dole Food Company Hawaii, Hawaiian Fudge Sauce Company, and the Windward Ahupuaa Alliance supported this measure. The Department of Agriculture and the Department of Land and Natural Resources offered comments.

Your Committee recognizes the need to diversify Hawaii's economy and revitalize the use of its agricultural lands. Your Committee further recognizes that Hawaii has an ideal location for growing cacao, and in fact, is the only state in the nation that can grow cacao.

Your Committee has amended this measure by:

- (1) Replacing the reference to Castle & Cooke with a reference to Dole Food Company 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 Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 326, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 326, H.D. 2.

Signed by all members of the Committee except Representatives Berg and Herkes.

SCRep. 1901-08 Economic Development & Business Concerns on S.C.R. No. 53

The purpose of this concurrent resolution is to urge the President of the United States to enter into a free trade agreement with Taiwan.

The Chinese Chamber of Commerce and several concerned individuals submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg and Herkes.

SCRep. 1902-08 Legislative Management on H.C.R. No. 15

The purpose of this concurrent resolution is to assist persons suffering from hearing loss by requesting the Auditor to conduct an impact assessment report of the social and financial impacts of mandating coverage for hearing aids for Medicaid.

The Department of Human Services, the Disability, Communication Access Board, and an individual were in support of this measure.

Your Committee on has amended this by making technical amendments for clarity by deleting from page 2 line 26-29

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. 15, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 15, H.D. 2.

Signed by all members of the Committee except Representatives Chong and Finnegan.

SCRep. 1903-08 Finance on H.B. No. 2250

The purpose of this bill is to protect the air transportation needs of Hawaii's residents and visitors to Hawaii by:

- (1) Establishing a statutory scheme for the regulation of inter-island air carriers in Hawaii by an Air Carrier Commission; and
- (2) Providing that this enabling legislation will not take effect until the United States Congress enacts enabling legislation to permit state regulation of inter-island air carriers.

The Representative of the 8th District and a concerned individual supported this bill.

Your Committee has amended this bill by:

- (1) Removing the repeal provision; and
- (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. 2250, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2250, H.D. 1.

Signed by all members of the Committee except Representatives Karamatsu, Nakasone and Pine.

SCRep. 1904-08 Human Services & Housing/Health on S.C.R. No. 33

The purpose of this concurrent resolution is to request the Departments of Health and Human Services, together with the State Health Planning and Development Agency, to continue their work on the Long Term Living Initiative.

The Department of Health, Department of Human Services, Executive Office on Aging, and State Health Planning and Development Agency supported 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 S.C.R. No. 33, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1905-08 Human Services & Housing on S.C.R. No. 61

The purpose of this concurrent resolution is to urge the Hawaii Public Housing Authority (HPHA) to issue a request for proposals (RFP) to form a public/private partnership for the purpose of reconstructing, renovating, and repairing HPHA's inventory of public housing projects.

The Office of Hawaiian Affairs (OHA) supported the intent of this concurrent resolution. HPHA opposed this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO (HGEA) provided comments.

OHA and HGEA both offered amendments. OHA expressed concerns over language pertaining to viewing public housing as transitional housing without research and statistics to prove that all tenants will be able to transition out of public housing and into available affordable housing. HGEA supported preferences being given to local nonprofit organizations in issuing RFPs. HGEA also expressed concern with the types of public-private partnerships that HPHA would enter into under this measure.

Your Committee is concerned about the border between the public and private sectors, and does not intend for this measure to result in mass privatization. Additionally, your Committee concurs with HGEA's position and urges partnerships with nonprofit organizations.

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. 61 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1906-08 Human Services & Housing on S.C.R. No. 106

The purpose of this concurrent resolution is to request the Office of Youth Services (OYS) and Department of Human Services to convene a working study group to consider safe shelter options for youth.

OYS and a concerned individual supported this 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 S.C.R. No. 106, S.D. 1, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Belatti, Tokioka and Ward.

SCRep. 1907-08 Education on S.C.R. No. 158

The purpose of this measure is to request the Department of Education (DOE) to pursue a financing agreement for the construction of the new Kihei High School on Maui and to consider a design-build approach for the school.

DOE and Dowling Company, Inc. testified in support of the resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Shimabukuro.

SCRep. 1908-08 Education on S.C.R. No. 220

The purpose of this measure is to request the Department of Education (DOE) to consider funding Project Graduation (PG) training activities through DOE driver education funds.

DOE, Mothers Against Drunk Driving (MADD), and numerous concerned individuals from various high school organizations testified in support of the resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 220 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Shimabukuro.

SCRep. 1909-08 Education on S.C.R. No. 115

The purpose of this measure is to request the Department of Education (DOE) to establish a three year pilot project for at least one school complex to:

- 1) Identify critical DOE rules and policies that impede effective decision-making, administering and teaching and
- 2) To operate free of those rules and policies.

DOE, Hawaii State Teachers Association (HSTA), Hawaii Business Roundtable, and several concerned individuals testified in support of the resolution.

Your Committee would like to note that the testimony from the principals from the Waianae Complex mentioned that a full partnership of the stakeholders including the DOE, HSTA, Hawaii State Board of Education (BOE), and Hawaii Government Employees Association would be beneficial in shaping and implementing innovative initiatives and strategies.

Your Committee has amended the measure by:

- 1) Adding language to ensure that the pilot schools are in compliance to the law.

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. 115, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 115, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang and Shimabukuro.

SCRep. 1910-08 Tourism & Culture on S.C.R. No. 5

The purpose of this concurrent resolution is to encourage fellowship and collaboration between various religious faiths by supporting the efforts of the All Believers Network (ABN) to establish the Statewide Interfaith Steering Committee to explore the possibility of organizing a major international interfaith conference in Hawaii to take place by 2011.

ABN supported this measure. The Department of Business, Economic Development, and Tourism 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 concurs with the intent and purpose of S.C.R. No. 5, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg and Wakai.

SCRep. 1911-08 Tourism & Culture on S.C.R. No. 52

The purpose of this concurrent resolution is to support and diversify Hawaii's visitor industry by requesting:

- (1) The Department of Business, Economic Development, and Tourism (DBEDT) and the Hawaii Tourism Authority (HTA) to implement programs to increase visitors from Taiwan; and
- (2) The Secretary of Homeland Security to expand the Visa Waiver Program to include Taiwan.

The Chinese Chamber of Commerce of Hawaii, Ilima Tours & Transportation, Dragon Tours & Travel, and Aloun Farms supported this measure. DBEDT and HTA submitted comments.

Your Committee notes that the Tourism Liaison testified that they have been working with the federal government on the modernization of the Visa Waiver Program as well as on support for the implementation of federal provisions passed last year that will facilitate the inclusion of Taiwan in the Visa Waiver Program. In addition, HTA has recommended the removal of provisions in this measure that request the implementation of programs to increase visitors from Taiwan. According to HTA, the main impediment to the goal of increased visitor arrivals from Taiwan is the difficulty that potential visitors from Taiwan have in obtaining visas to travel to the United States. Until this obstacle is addressed, programs to increase visitors from Taiwan will not prove effective.

Therefore, in light of testimony received by your Committee, your Committee has amended this measure by:

- (1) Deleting all provisions and references to HTA and the implementation of programs to increase visitors from Taiwan;
- (2) Refocusing its purpose by requesting DBEDT to assist and cooperate with the United States Citizenship and Immigration Services and the United States Department of Homeland Security to facilitate the inclusion of Taiwan on the visa waiver list;
- (3) Changing its title to read as follows:

"REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO WORK WITH THE SECRETARY OF HOMELAND SECURITY TO EXPAND THE VISA WAIVER PROGRAM TO INCLUDE TAIWAN"; 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 concurs with the intent and purpose of S.C.R. No. 52, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 52, H.D. 2.

Signed by all members of the Committee except Representatives Berg and Wakai.

SCRep. 1912-08 Education on S.C.R. No. 84

The purpose of this measure is to request the Department of Education (DOE) to offer nutritionally-sound public school lunch menu that include an option for vegetarian and vegan meals.

DOE, Hawaii Medical Service Association (HMSA), and numerous concerned individuals testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Shimabukuro and Wakai.

SCRep. 1913-08 Education/Labor & Public Employment on S.C.R. No. 72

The purpose of this measure is to request the Department of Education (DOE) to conduct a feasibility study on the impacts of a longer school day and extended school year for students in grades Kindergarten through the twelfth grade.

DOE, Board of Education (BOE), American Heart Association, and Hawaii Association for Health, Physical Education, Recreation, and Dance (HAHPERD) testified in support of the 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 concur with the intent and purpose of S.C.R. No. 72, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Har, McKelvey, Nakasone, Wakai and Meyer.

SCRep. 1914-08 Education on S.C.R. No. 74

The purpose of this measure is to request the Department of Education (DOE) to convene a working group to develop guidelines to reduce the truancy rate in the public schools in Hawaii.

DOE testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 74, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Shimabukuro and Wakai.

SCRep. 1915-08 Education on S.C.R. No. 83

The purpose of this measure is to request the auditor to conduct a study on an appropriate accountability structure for the Hawaii Teachers Standards Board (HTSB).

Hawaii State Teachers Association (HSTA) testified in support of the resolution. The Department of Education (DOE) and HTSB submitted comments on the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 83, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Shimabukuro and Wakai.

SCRep. 1916-08 Education on S.C.R. No. 111

The purpose of this measure is to request the Department of Education (DOE) and any other appropriate entities to prepare curricular materials that reflect the Hawaii standards to assist teachers who have to temporarily teach a subject where the teacher is not highly qualified.

DOE testified in support of this resolution.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 111 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Shimabukuro and Wakai.

SCRep. 1917-08 Education on S.C.R. No. 114

The purpose of this measure is to request the Department of Education (DOE) to establish an advisory group to review the functions and processes of its Office of Human Resources (OHR) in implementing the recommendations made by Accuity, LLP and to further streamline and improve the effectiveness and efficiency of OHR.

DOE testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 114, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Shimabukuro and Wakai.

SCRep. 1918-08 Education on S.C.R. No. 118

The purpose of this measure is to request the Department of Education (DOE) to convene a task force to ensure that additional investment for education in the state will meet the public's expectation.

Hawaii Business Roundtable testified in support of the measure. Hawaii Educational Policy Center (HEPC) and DOE submitted comments on the resolution.

Your Committee has amended the measure by:

- 1) Narrowing the scope of the resolution;
- 2) Adding language to request HEPC to assist the DOE in compiling the report;
- 3) Changing the title to reflect the contents of the resolution; and
- 4) Making technical, non-substantive amendments

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. 118, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.C.R. No. 118, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabanilla, Chang, Shimabukuro and Wakai.

SCRep. 1919-08 Education/Health on S.C.R. No. 134

The purpose of this measure is to promote a sustainable future for Hawaii by urging the Department of Education (DOE) and the Department of Health (DOH) to "buy" local and to develop a food ware and food waste recycling program.

DOE, DOH, Styrophobia, Hawaii Food Industry Association, and several concerned individuals testified in support of the measure.

Your Committee would like to note that testimony from George White indicated that polystyrene recycling is not feasible, and that even the plastic industry acknowledges that it is a losing proposition. In light of that matter, your Committee has amended the measure by:

- 1) Deleting several references to polystyrene products
- 2) Amending the language in the first BE IT FURTHER RESOLVED section to encourage the use of compostable products in substitute for polystyrene product.

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 S.C.R. No. 134, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.C.R. No. 134, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Cabanilla, Nishimoto, Saiki, Tokioka, Wakai and Ching.

SCRep. 1920-08 Health on S.C.R. No. 201

The purpose of this concurrent resolution is to alleviate the increasing costs for long-term care by requesting the Hawaii Health Systems Corporation to establish a task force to assist in developing a master plan for long-term care for Leahi Hospital.

Kokua Council, Oahu Region Hawaii Health Systems Corporation, and the Policy Advisory Board for Elder Affairs 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 S.C.R. No. 201, S.D. 1, 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. 1921-08 Health/Human Services & Housing on S.C.R. No. 79

The purpose of this concurrent resolution is to determine the appropriate and effective public health practices that can be implemented to screen and treat individuals residing in public housing and emergency shelters for tuberculosis.

A concerned individual supported the intent of 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. 79 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

SCRep. 1922-08 Health/Human Services & Housing on S.C.R. No. 105

The purpose of this concurrent resolution is to request that the Department of Human Services convene a task force to establish protocols and training programs for first responders to use when coming into contact with children who may be the victims of or who are at risk for child abuse.

The Department of Human Services supports the intent of 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. 105, S.D. 1, and recommend that it be referred to the Committee on Public Safety & Military Affairs.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

SCRep. 1923-08 Health/Human Services & Housing on S.C.R. No. 153

The purpose of this concurrent resolution is to provide residents of Hawaii with affordable access to health care and long-term financial security by supporting the "Divided We Fail" campaign.

The American Association of Retired Persons and several concerned individuals submitted testimony in support of 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. 153 and recommend its adoption.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

SCRep. 1924-08 Legislative Management on S.C.R. No. 37

The purpose of this measure is to request the Legislative Reference Bureau to study the establishment of a comprehensive vocational rehabilitation center for deaf and hard of hearing individuals. This measure is also requesting the Legislative Reference Bureau suggesting services for the center, survey centers in other states to estimate start-up and operating costs, and consult with agencies that serve the target population. The measure also requests the Department of Human services to assist in identifying the potential beneficiaries of such a center.

Testimony was received from The Disability & Communication Access Board, Department of Human Services and The Deaf Hard of Hearing Advisory Board in support, testimony was also received from an individual in support and comments received from the Legislative Reference Bureau.

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. 37, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives B. Oshiro and Finnegan.

SCRep. 1925-08 Legislative Management on S.C.R. No. 70

The purpose of this measure is to request the Legislative Reference Bureau to prepare a report on the advisability and feasibility of establishing certificate, undergraduate and graduate degree programs within the University of Hawai'i for the study of sports and entertainment management.

Testimonies from the Department of Business, Economic, Development and Tourism, University of Hawai'i System, Shidler College of Business and the Aloha Section PGA submitted testimonies in support and the Legislative Reference Bureau offered comments.

As affirmed by the records of votes of the members of your Committees on Economic Development and Taxation and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 70 and recommend its adoption.

Signed by all members of the Committee except Representatives B. Oshiro and Finnegan.

SCRep. 1926-08 Legislative Management on S.C.R. No. 92

The purpose of this measure is to urge the Department of Education to inform the parents of children who have been referred for special education services of certain rights, and to ensure recognition thereof.

Testimonies from the State Department of Education, Legal Aid Society of Hawaii, National Association of Social Workers, Hawai'i Alliance for Community-Based Economic Development, the Welfare Employment Rights Coalition, the Women's Coalition and the Hawai'i Council on Economic Education submitted testimonies in support and the State Department of Budget & Finance submitted a testimony in opposition.

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. 92, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives B. Oshiro and Finnegan.

SCRep. 1927-08 Legislative Management on S.C.R. No. 96

The purpose of this measure is to request the Auditor to conduct a program, performance, and financial audit of the Natural Energy Laboratory of Hawaii Authority and to submit a report of findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session in 2009.

Testimony from the Hawaii Aquaculture Association submitted a testimony in support 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 S.C.R. No. 96, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives B. Oshiro and Finnegan.

SCRep. 1928-08 Legislative Management on S.C.R. No. 212

The purpose of this measure is to request the Auditor to perform a management, financial and program audit of the Department of Business, Economic Development, and Tourism. This measure will look into the strategic marketing and support, creative industries, and general support for economic development.

This measure would focus on The High Technology Development Corporation and the Hawaii Strategic Development Corporation its programs and entities under its purviews.

The High Technology Development Corporation and the Hawaii Strategic Development Corporation submitted a testimony in support of this measure and the Department of Business, Economic Development & Tourism Submitted 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 S.C.R. No. 212, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives B. Oshiro and Finnegan.

SCRep. 1929-08 Public Safety & Military Affairs/Labor & Public Employment on S.C.R. No. 102

The purpose of this concurrent resolution is to ensure the safety of our communities and improve the effectiveness of law enforcement by requesting the Department of Human Resources Development and the Department of Public Safety to negotiate higher salaries and increased benefits for deputy sheriffs throughout Hawaii to support the recruitment and retention of well-trained deputy sheriffs.

The Hawaii Government Employees Association and several concerned individuals supported this concurrent resolution. The Department of Human Resources Development opposed this measure.

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 concur with the intent and purpose of S.C.R. No. 102, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Luke, Nakasone, Takamine and Meyer.

SCRep. 1930-08 Public Safety & Military Affairs on S.C.R. No. 125

The purpose of this concurrent resolution is to encourage inmate participation in rehabilitation programs that assist the inmates in reentering the community and to relieve inmate overcrowding by requesting the Department of Public Safety to research and study early parole eligibility programs established under the laws of other jurisdictions in order to report recommendations to the Legislature on the issues related to establishing an early parole eligibility program for Hawaii inmates incarcerated in Hawaii and on the mainland.

The Community Alliance on Prisons and several concerned individuals supported this concurrent resolution. The Hawaii Paroling Authority supported the intent of this measure. The Department of Public Safety and City and County of Honolulu's Department of the Prosecuting Attorney opposed 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. 125, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, Nakasone and Takamine. (Representative Pine voted no.)

SCRep. 1931-08 Labor & Public Employment on S.C.R. No. 67

The purpose of this measure is designate September 2008 as Language Access Month to raise awareness of the language access laws and the provision of equal access to state and state-funded government services.

Your Committees received testimony in support of this measure from the Office of Language Access, Filipino American Citizens League, Filipino-American Historical Society of Hawaii, Filipino Coalition for Solidarity, Hawaii Interpreter Action Network, National Federation of Filipino American Associations, Nursing Advocates & Mentors, Inc., Oahu Filipino Community Council, Philippine Nurses Association-Hawaii, and United Filipino Council of Hawaii.

According to the 2000 Census, 290,000 of Hawaii's 1,200,000 people, or approximately twenty-four per cent of the population, speak a language other than English at home, including over 250,000 persons who speak an Asian or Pacific Island language. For this portion of Hawaii's population for whom English is not their primary language and who have identified themselves as having limited English proficiency ("LEP"), language is a barrier that often prohibits them from fully participating in the community and undermines their efforts to become self-sufficient and productive.

In 2006, the Legislature recognized and acknowledged that language is a barrier for LEP individuals living in Hawaii and enacted Hawaii's language access law. As a result of Hawaii's language access law, the Office of Language Access was established to promote equal access and full participation for persons with limited English proficiency through oversight, coordination, and technical assistance to state and state-funded entities and by reviewing and monitoring language access plans. The Office of Language Access indicated in testimony that the feasibility study can be funded from existing resources.

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. 67, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Luke, Nakasone, Takamine and Meyer.

SCRep. 1932-08 Finance on S.C.R. No. 33

The purpose of this concurrent resolution is to require that the Departments of Health and Human Services, together with the Executive Office on Aging and the State Health Planning and Development Agency, continue their work on the Long Term Living Initiative to expand long term care infrastructure, workforce development, and financing mechanisms, as well as begin a new focus on engaging county government as partners in planning an integrated and coordinated policy with the State of Hawaii.

Upon further consideration, your Committee has amended this concurrent resolution by:

- (1) Providing examples of work already conducted by other groups that could be consulted in the process; and
- (2) Requiring that a public process be developed to achieve the goals of this concurrent resolution.

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. 33, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 33, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1933-08 Finance on S.C.R. No. 72

The purpose of this concurrent resolution is to request that the Department of Education conduct a feasibility study to examine various impacts of a longer school day and increasing the number of days in the school year on kindergarten through grade twelve students.

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. 72, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1934-08 Finance on S.C.R. No. 74

The purpose of this concurrent resolution is to request the Department of Education to convene a working group to develop guidelines to reduce the truancy rate in the 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 S.C.R. No. 74, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1935-08 Finance on S.C.R. No. 83

The purpose of this concurrent resolution is to request the Auditor to conduct a study on the appropriate accountability structure for the Hawaii Teacher Standards Board.

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. 83, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1936-08 Finance on S.C.R. No. 94

The purpose of this concurrent resolution is to urge the University of Hawaii to begin rebuilding the School of Public Health by 2012.

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. 94 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1937-08 Finance on S.C.R. No. 111

The purpose of this concurrent resolution is to request the Department of Education to prepare curricular materials that reflect the Hawaii standards to assist a teacher who has to temporarily teach in an area where the teacher is not highly qualified.

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. 111 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1938-08 Finance on S.C.R. No. 114

The purpose of this concurrent resolution is to create an advisory board to re-engineer the Department of Education's Office of Human 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 S.C.R. No. 114, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1939-08 Finance on S.C.R. No. 115

The purpose of this concurrent resolution is to request the Department of Education to convene a pilot project to allow a school complex to identify critical department rules and policies that impede effective decision-making, administering, and teaching and to operate free of those rules and policies.

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, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1940-08 Finance on S.C.R. No. 118

The purpose of this concurrent resolution is to improve the community's understanding of the Department of Education's programs and school expenses including a comparison with other states on adequacy of funds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 118, S.D. 1, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1941-08 Finance on S.C.R. No. 120

The purpose of this concurrent resolution is to request the University of Hawai'i and the Department of Education to develop, offer, and expand Philippine language courses.

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. 120 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1942-08 Finance on S.C.R. No. 134

The purpose of this concurrent resolution is to urge the Department of Education and the Department of Health to "buy local" and to implement and develop food ware and food waste recycling programs to encourage sustainability.

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. 134, S.D. 2, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1943-08 Finance on S.C.R. No. 180

The purpose of this concurrent resolution is to offer support to the University of Hawaii in its efforts to enhance and diversify its sources of revenue and maximize use of its facilities.

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. 180 and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer and Pine.

SCRep. 1944-08 Finance on S.C.R. No. 158

The purpose of this concurrent resolution is to request the Department of Education to pursue a financing agreement for the construction of the new Kihei High School on Maui and to consider a design-build approach for the school.

The Department of Education and Dowling Company, Inc. testified in support of this concurrent resolution.

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. 158, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Awana, Brower, Manahan, Nakasone, Meyer, Pine and Ward.

SCRep. 1945-08 Labor & Public Employment on S.C.R. No. 222

The purpose of this measure is to:

- (1) Request the respective head of the Departments of Budget and Finance; Business, Economic Development, and Tourism; Commerce and Consumer Affairs; Hawaiian Home Lands; Health; Human Services; Labor and Industrial Relations; Land and Natural Resources; and Public Safety, respectively, to submit reports to the Legislature no later than twenty days prior to the convening of the 2009 Regular Session on the number of exempt positions under laws other than the civil service chapter that have been converted to civil service in their respective departments; and
- (2) Request these departments to convert all exempt clerical and paraprofessional positions to civil service by December 31, 2008.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association. Comments were received from the Department of Commerce and Consumer Affairs, Department of Human Resources Development, and Department of Land and Natural Resources.

Act 253, Session Laws of Hawaii 2000, amended public employment laws and rules that had evolved over decades by reforming the civil service system and making government more efficient, effective, and responsive. An important objective of civil service reform and Act 253, Session Laws of Hawaii 2000, was to increase the number of positions included in the civil service system, where appointments and promotions are made under a system of merit determined by competitive examination, and to decrease the use of exempt appointments, which are positions outside the civil service system. This measure is an important step toward fulfilling the legislative intent of Act 253.

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. 222 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, McKelvey, Nakasone, Meyer and Pine.

SCRep. 1946-08 Water, Land, Ocean Resources & Hawaiian Affairs/Energy & Environmental Protection on S.C.R. No. 77

The purpose of this measure is to request that the President of the United States proclaim June 8th of every year as World Ocean Day.

Testimony in support was submitted by The Nature Conservancy of Hawaii, Kai Makana, and thirty interested individuals. Girl Scout Troop 401 submitted testimony in support of this measure and attached a petition with approximately 486 signatures in support of this measure. An individual testified in support with amendments. Testimony in support of the intent of this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that the concept of World Ocean Day was established in 1992 at the United Nations Earth Summit. The world's oceans are critical to maintaining the planet's ecosystems and are essential to human health and well-being.

Your Committee further finds that Hawaii's location in the middle of the Pacific Ocean and its distinction of being the farthest removed islands from any other body of land in the world makes it an appropriate participant in World Ocean Day.

Your Committee notes that ocean environments around the world are collapsing for many different reasons, some of which being: uncontrolled uses, pollution, invasive species, and unsustainable coastal development. Proclamation of World Ocean Day can be an opportunity to educate the world's population about conserving and protecting the world's oceans and fragile marine environment.

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 S.C.R. No. 77, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1947-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.C.R. No. 4

The purpose of this measure is to authorize the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of State submerged lands fronting the property identified as Tax Map Key No.: (2) 4-5-1:5 at Lahaina, Maui, for maintenance and repair of existing concrete pillars and improvements purposes.

The Department of Land and Natural Resources testified in support of this measure.

Your Committee notes that the area above the submerged lands in question is partially used for a restaurant. Leases of the submerged lands in question are made on a case-by-case basis which is why there is a difference in the lease term between the original lease and the current lease for the submerged lands. Your Committee further notes that the submerged lands in question are ceded lands and that proceeds from the pro rata portion of the income derived from the usage of these lands is required to be transferred to the Office of Hawaiian Affairs pursuant to Article XII of the Hawaii Constitution.

Pursuant to section 171-53(c), Hawaii Revised Statutes, the Board of Land and Natural Resources is authorized to lease the described lands to any private entity upon the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution.

Accordingly, this measure authorizes the Board of Land and Natural Resources to lease the lands fronting the property identified as Tax Map Key No.: (2) 4-5-1:5 at Lahaina, Maui, for maintenance and repair of existing concrete pillars and improvements purposes.

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. 4 and recommends its adoption.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1948-08 Water, Land, Ocean Resources & Hawaiian Affairs on S.C.R. No. 210

The purpose of this measure is to comply with the requirements of Section 171-50, Hawaii Revised Statutes, which states that all land exchanges with the Department of Land and Natural Resources shall be subject to disapproval by the Legislature. The statute requires the Department to introduce a resolution to the Legislature detailing the proposed exchange. The proposed exchange involves Tiana Partners, the Hawaiian Humane Society and the Department of Land and Natural Resources.

The Department of Land and Natural Resources and the Hawaiian Humane Society testified in support of this measure.

Your Committee finds that this exchange has been approved in principle by the Board of Land and Natural Resources at its meetings on December 8, 2006 and December 14, 2007. The proposed exchange involves property, located in Niu, Oahu, currently owned by Tiana Partners (48%) and the Hawaiian Human Society (52%) with the State of Hawaii holding a springing executory interest from the Hawaiian Humane Society's interest. The Hawaiian Humane Society is proposing to transfer its (52%), with the State releasing its springing executory interest, in three of four parcels to Tiana Partners for cash and other consideration. The Hawaiian Humane Society's interest in the fourth parcel will be transferred to the Department of Land Natural Resources to be included in the Department's Honolulu Watershed Forest Reserve for watershed protection.

Your Committee has amended this measure by changing the measure's title to reflect that the Legislature approves of the proposed land exchange, although Section 171-50, Hawaii Revised Statutes, does not require the Legislature to explicitly approve such land exchanges. The measure title has been amended to read, "APPROVING THE ACTION OF THE BOARD OF LAND AND NATURAL RESOURCES RELATING TO A LAND EXCHANGE."

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. 210, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 210, H.D. 1.

Signed by all members of the Committee except Representative Saiki.

SCRep. 1949-08 Health on S.C.R. No. 88

The purpose of this concurrent resolution is to reduce the risk of skin cancer in children from exposure to ultraviolet light at an early age by requesting the Department of Education to develop a prototype model or guidelines for schools, community groups, or volunteer organizations to follow when installing or creating shaded play areas at public schools.

The American Cancer Society, Hawaii State Teacher's Association, and several concerned individuals supported this concurrent resolution. The Department of Education opposed 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 S.C.R. No. 88, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

SCRep. 1950-08 Human Services & Housing/Health on S.C.R. No. 124

The purpose of this concurrent resolution is to request the Auditor to conduct a financial and management audit of the Department of Human Services (DHS) Medicaid-sponsored programs.

The Waianae Coast Comprehensive Health Center, Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, AlohaCare, and Hawaii Primary Care Association supported this concurrent resolution.

Your Committees have amended this concurrent resolution by:

- (1) Limiting the scope of the audit to DHS' QUEST Expanded Access for the Aged, Blind, and Disabled Request for Proposals; 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 concur with the intent and purpose of S.C.R. No. 124, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 124, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Bertram, Cabanilla and Tokioka.

SCRep. 1951-08 Finance on S.B. No. 69

The purpose of this bill, as received by your Committee, is to improve the quality of health care for all of Hawaii's residents by:

- (1) Requiring the John A. Burns School of Medicine (JABSOM) 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, including projected health care workforce shortages through 2020 and plans to reduce these shortages; and
- (2) Appropriating \$500,000 out of the State Health Planning and Development Agency Special Fund for JABSOM to develop and maintain the statewide comprehensive health care workforce map and database.

Prior to the hearing on S.B. No. 69, S.D. 2, H.D. 2, a proposed H.D. 3 was circulated and placed on the calendar of your Committee for a hearing. The purpose of the proposed H.D. 3 is to address the recent health care crisis faced by the children of employees who lost their medical coverage due to the sudden and recent cessation of operations of an inter-island airline in Hawaii.

The Hawaii Medical Services Association, Hawaii Government Employees Association, and numerous concerned individuals supported this bill. The Department of Human Services provided comments.

Your Committee has amended this measure by adopting the language contained in the proposed H.D. 3. As amended, this bill makes health care insurance available to children of recently unemployed employees of an inter-island air carrier by:

- (1) Expanding the Hawaii Children's Health Care Program to include children of employees who were employed on March 29, 2008, by a Hawaii inter-island air carrier that was in bankruptcy proceedings on that date; and
- (2) Making this health insurance available until December 31, 2008, at the latest.

Other technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 69, 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. 69, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representatives Belatti, Brower, Karamatsu, Lee, Magaoay, Manahan, Mizuno, Nakasone and Rhoads.

SCRep. 1952-08 Human Services & Housing/Legislative Management on S.C.R. No. 200

The purpose of this concurrent resolution is to request the Auditor to conduct a financial and management audit of the Hawaii Centers for Independent Living (HCIL).

The Disability and Communication Access Board and numerous concerned individuals supported this concurrent resolution. The Department of Human Services, HCIL, and a concerned individual provided comments.

Your Committees note that there are some concerns regarding the powers of the Auditor under Chapter 23, Hawaii Revised Statutes, and whether the Auditor has the authority to review the financial affairs of a nonprofit organization. However, your Committees are also sensitive to the concerns raised by testifiers with regard to this measure and hope that the financial aspects, as well as management, can be addressed through an audit.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 200, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Belatti, Bertram and Cabanilla.

SCRep. 1953-08 Health/Consumer Protection & Commerce on S.C.R. No. 41

The purpose of this concurrent resolution is to request the auditor to conduct a sunrise review of the industrial hygiene, safety, and health physics professions which are proposed to be regulated under S.B. 2075 (2008).

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. 41, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Awana, Belatti, Cabanilla, Herkes, Ito, Sonson, Yamane and Yamashita.

SCRep. 1954-08 Health/Consumer Protection & Commerce on S.C.R. No. 196

The purpose of this concurrent resolution is to request the auditor to assess the social and financial impacts of requiring health insurers to provide coverage for the diagnosis and treatment of autism spectrum disorders in the policies, plans and contracts of health insurance and related products as mandated by S.B. 2532, S.D. 1 (2008).

The State Council on Developmental Disabilities, Hawaii Disability Rights Center, Autism Speaks, Autism Society of Hawai'i and a concerned individual supported this concurrent resolution.

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. 196, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Awana, Belatti, Cabanilla, Herkes, Ito, Sonson, Souki, Yamane and Yamashita.

SCRep. 1955-08 Finance on S.B. No. 788

The purpose of this bill is to provide emergency appropriations for the damage and destruction caused by the heavy rains and flooding in February and March, 2006, by extending from June 30, 2008, to June 30, 2009, the lapsing date of appropriations made during the Regular Session of 2006.

The Department of Land and Natural Resources and the Department of Defense 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. 788, 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 except Representatives Carroll, Nakasone and Pine.

SCRep. 1956-08 Tourism & Culture on S.C.R. No. 208

The purpose of this concurrent resolution is to recognize, acknowledge, and express gratitude to the people of Kalaupapa and their families for making great sacrifices and enduring much hardship as a result of their forced isolation, for rebuilding their lives with pride and dignity, for overcoming prejudice and discrimination, and for consistently reaching out to others in need. This measure also expresses regret for past actions against, and treatment of, past and current residents of Kalaupapa.

The Senator representing the Sixth Senatorial District, Department of Health, Ka `Ohana O Kalaupapa, Kawaihapai Ohana, and numerous 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 S.C.R. No. 208, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Herkes, Tsuji, Ching and Marumoto.

SCRep. 1957-08 Tourism & Culture on S.C.R. No. 225

The purpose of this concurrent resolution is to officially acknowledge and recognize the work of the State Foundation on Culture and the Arts (SFCA) in supporting arts and culture in Hawaii. In addition, this measure:

- (1) Requests that, as agencies move from the No. 1 Capitol District Building, the vacated space be assigned to the SFCA and the State Art Museum (Museum) for the future growth and development of these entities; and
- (2) Requests that at such time when the SFCA and the Museum occupy the majority of square footage in the building, the building be renamed "The Hawaii State Art Museum."

SFCA 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 S.C.R. No. 225, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Berg, Herkes, Tsuji and Marumoto.

SCRep. 1958-08 Transportation on S.C.R. No. 234

The purpose of this measure is to request that Hawaii's congressional delegation introduce and support federal legislation to improve the viability of Hawaii's geographically disadvantaged farmers and ranchers.

Testimony in support of this measure was submitted by the Hawaii Agriculture Research Center. The State Department of Agriculture submitted comments to 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 S.C.R. No. 234 and recommends its adoption.

Signed by all members of the Committee except Representatives Har, Nakasone, Sonson and Takamine.

SCRep. 1959-08 Transportation on S.C.R. No. 108

The purpose of this measure is to encourage the Department of Transportation and County Transportation Agencies to actively seek opportunities to construct more roundabouts instead of signalized, right-angle intersections in the state.

Testimony in support of this measure was submitted by the State Department of Transportation. Individual Kim Kido commented on 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 S.C.R. No. 108 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Har, Nakasone, Sonson and Takamine.

SCRep. 1960-08 Transportation/Water, Land, Ocean Resources & Hawaiian Affairs on S.C.R. No. 59

The purpose of this measure is to request the Department of Land and Natural Resources in cooperation with the Department of Transportation to establish a working group of stakeholders to conduct a study as to the feasibility of providing a permanent port and dock facility for the voyaging canoes Hokule'a, Makali'I, Hokuakaka'I Nanahoe, and Mo'okiha and to recommend a location for such a facility.

Testimonies in support of this measure was submitted by the Office of Hawaiian Affairs and individual Dennis Chun. Department of Land and Natural Resources opposes the resolution. Department of Transportation offered comments to the measure.

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 concur with the intent and purpose of S.C.R. No. 59, S.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Evans, Har, Morita, Nakasone, Saiki, Sonson, Takamine and Takumi.

SCRep. 1961-08 Finance on S.B. No. 2482

The purpose of this bill is to provide for the planning, design, and construction of a modern laboratory and office complex for the use of the Hawaii Institute of Marine Biology situated at Coconut Island in Kaneohe Bay by extending the lapse date of funds previously appropriated for this purpose.

The University of Hawaii System 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. 2482, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Carroll, Magaoay, Nakasone and Pine.