

Conf. Com. Rep. 1-08 on S.B. No. 2400

The purpose of this measure is to make the resolution of minor criminal offenses, including traffic violations, as simple as possible for the average citizen and to ensure that police, prosecutorial, and judicial resources are focused on the most serious criminal offenses.

Specifically, this measure represents the effort of the Judiciary, various state departments, and the Legislative Reference Bureau to fulfill the mandate of Act 124, Session Laws of Hawaii 2005, to identify minor criminal offenses for which typically only a fine is imposed and which may be decriminalized without undermining the ability of government to enforce laws within its jurisdiction.

Your Committee on Conference has amended this measure by changing the effective date to upon approval. Your Committee has retained the effective date of July 1, 2009, for section 2 of the measure, relating to violations of the State's plant and non-domestic animal quarantine law.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2400, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2400, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 2-08 on S.B. No. 2784

The purpose of this measure is to extend to United States marshals and deputies some of the powers to make arrests without warrants that are currently granted under state law to federal customs officers and federal immigration officers.

Additionally, this measure amends the law that grants customs and immigration officers the powers of arrest by updating the names of the federal agencies.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2784, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2784, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 3-08 on S.B. No. 2454

The purpose of this measure is to streamline and ensure transparency in the non-judicial foreclosure process by requiring a foreclosure mortgagee to provide pertinent information regarding the property to interested parties.

Specifically, this measure:

- (1) 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; and
- (2) Makes other amendments to the Mortgage Foreclosures Law under Chapter 667, Hawaii Revised Statutes, to ensure that the different non-judicial 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.

A large number of Hawaii foreclosures are handled by servicing corporations located on the mainland that provide little to no information relating to the foreclosure to parties that are entitled to information regarding the property to be foreclosed. It is common for a person to call the contact telephone number contained in a foreclosure notice, only to encounter automated recorded messages, being placed on hold, or being transferred to an individual who is not properly trained to provide the caller with the appropriate information. Your Committee on Conference finds that requiring foreclosing mortgagees to provide the contact information of a Hawaii-based attorney will 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 on Conference has amended this measure by:

- (1) Clarifying that the attorney authorized as the contact individual shall disclose to the requestor, upon request, the amount to cure the default, attorneys' fees and costs, and other fees and costs estimated to be incurred by the foreclosing mortgagee

prior to the auction within five business days of the request, and the sale price of the mortgaged property once auctioned; and

- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2454, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2454, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 4-08 on S.B. No. 2464

The purpose of this measure is to recognize the importance and uniqueness of the Hawaiian monk seal to the Hawaiian Islands by establishing and designating the Hawaiian monk seal as the official state mammal.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2025, to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2464, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2464, H.D. 1, C.D. 1.

Representatives Ito, Yamane and Thielen.
Managers on the part of the House.

Senators Fukunaga, Espero and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 5-08 on S.B. No. 3030

The purpose of this measure is to properly and effectively implement the regulation, licensing, and oversight of mixed martial arts contests by amending the fee structure to fund the mixed martial arts licensing program.

Specifically, this measure:

- (1) Increases the license fee imposed on gate receipts of professional mixed martial arts contests beginning in fiscal year 2009-2010;
- (2) Clarifies 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) Requires each mixed martial arts 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 licensing program under chapter 440E, Hawaii Revised Statutes.

Your Committee on Conference finds that chapter 440E, Hawaii Revised Statutes, outlines the licensing regulatory scheme for mixed martial arts contests, promoters, and contest participants, and sets forth numerous other provisions relating to regulating mixed martial arts, but fails to provide the Department of Commerce and Consumer Affairs with adequate funds to support effective start-up and implementation of this complex licensing program. Amending the current fee structure to fund mixed martial arts regulation will enable the Department to support and implement the mixed martial arts licensing program.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2009, to coincide with the date that chapter 440E, Hawaii Revised Statutes, will become effective pursuant to Act 279, section 5, Session Laws of Hawaii 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3030, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3030, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Herkes, Tokioka and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

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

Conf. Com. Rep. 6-08 on S.B. No. 2245

The purpose of this measure is to make it a traffic code violation for an operator or adult passenger of a motor vehicle to leave the vehicle with an unattended child inside for five minutes or more. This provision is effective upon approval.

This measure also:

- (1) Requires that, effective October 1, 2008:
 - (A) Knowledge of the above violation be tested on the State drivers license examination; and
 - (B) Rental car companies provide notice of the prohibition to all renters; and
- (2) Authorizes law enforcement officers, fire fighters, and rescue team personnel to use reasonably necessary means to protect and remove an unattended child from a motor vehicle upon determining that the child is in physical danger or poses a danger to others.

Your Committee has amended this measure by adopting the language of S.B. No. 2245, Senate Draft 1, which makes the measure effective upon approval, staggers implementation of the examination and signage requirements to October 1, 2008, and contains nonsubstantive changes in the use of terms.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2245, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2245, S.D. 1, H.D. 2, C.D. 1.

Representatives Souki, Shimabukuro, Waters, Lee and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 7-08 on S.B. No. 2146

The purpose of this measure 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 measure:

- (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.

Your Committee upon further consideration has amended S.B. No. 2146, S.D. 2, H.D. 1, by changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2146, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2146, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Green, Herkes, Lee, Bertram and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 8-08 on S.B. No. 2170

The purpose of this measure is to remove the exclusion of public beach parks falling within Act 190, Session Laws of Hawaii 1996 ("Act 190"), from the definition of "improved public lands" in Act 82, Session Laws of Hawaii 2003 ("Act 82").

Act 82 recognizes that many public lands are inherently dangerous and contain potential risks, especially for those who are unprepared, participate in hazardous recreational activities, or choose to ignore warning signs. Striking an equitable balance between the personal responsibility of individuals engaged in recreational pursuits on public lands and the government's duty to protect its citizens from harm, Act 82 establishes a conclusive presumption that signage warning of dangerous natural conditions on improved public lands constitutes legally adequate warning of those conditions, provided that certain design, placement, and inspection requirements are met.

While Act 82 clearly applies to state and county park systems, it does not apply to public beach parks, since it excludes from the definition of "improved public lands", any public beach park falling within Act 190. Whether any public beach park falls under Act 190, however, is unclear, since that Act develops a legally adequate warning system for dangerous natural conditions in the ocean adjacent to a public beach park, but not necessarily for the public beach park itself.

Public beach parks are an important part of the public park system that should not be singled out from other types of parks within the State. Accordingly, this bill clarifies that Act 82 applies to public beach parks.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2170, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2170, S.D. 1, H.D. 1, C.D. 1.

Representatives Ito, Waters, Tokioka and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 9-08 on S.B. No. 3008

The purpose of this measure 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.

Specifically, 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.

Your Committee on Conference finds that amending the Code of Financial Institutions under chapter 412, Hawaii Revised Statutes, will reduce regulatory burden where significant consumer interests are not adversely affected; update the Code to recognize changes in the industry and make desirable clarifications to the statutes; provide more flexibility in supervising and regulating the industry; ensure adequate protection for the consumer; and make technical amendments of a "housekeeping" nature.

Your Committee on Conference has amended this measure by:

- (1) Adopting the language from S.B. No. 3008, S.D. 1 that amends the Code of Financial Institutions to allow the collection of information necessary to conduct criminal history record checks in accordance with section 846-2.7, Hawaii Revised Statutes;
- (2) Adopting the language from S.B. No. 3008, S.D. 1 that amends section 846-2.7, Hawaii Revised Statutes, to allow the Department of Commerce and Consumer Affairs to:
 - (A) Conduct criminal history record checks on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided under sections 412:3-201 and 412:3-301, Hawaii Revised Statutes; and
 - (B) Conduct criminal history record checks on the original chartering applicants and proposed executive officers of a credit union as provided under section 412:10-103, Hawaii Revised Statutes;
- (3) Changing the effective date of this measure from July 1, 2020, to July 1, 2008; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3008, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3008, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 10-08 on S.B. No. 3023

The purpose of this measure is to enhance Hawaii's position as one of the world's leading captive insurance jurisdictions by authorizing the creation of both special purpose financial captive insurance companies and sponsored captive insurance companies, and to require their regulation by the Insurance Commissioner.

Your Committee on Conference finds that this measure will promote the diversification and evolution of the captive insurance industry in the State by providing additional sources of capital.

Your Committee on Conference has amended this measure by:

- (1) Adding clarifying language that narrows the scope of the Insurance Commissioner's authority to exempt a special purpose financial captive insurance company from any provision of the new part relating to special purpose financial captive insurance companies added to article 19, chapter 431, Hawaii Revised Statutes, and requires the Insurance Commissioner to take into consideration whether the public interest is being served or protected, and ensure that reasonable expectations of the policyholders and consumers will be maintained prior to ordering an exemption;
- (2) Changing the effective date from July 1, 2050, to July 1, 2008; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3023, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3023, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, B. Oshiro, Tokioka, McKelvey and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 11-08 on S.B. No. 2434

The purpose of this bill is to revise the appointment process for the Stadium Authority, by:

- (1) Increasing the membership from nine to eleven members, with nine voting members;
- (2) Clarifying that of the nine voting members, the Governor shall appoint three directly, appoint three from a list of nominees from the general public submitted by the President of the Senate; and appoint three from a list of nominees from the general public submitted by the Speaker of the House of Representatives; and
- (3) Establishing a schedule for filling future vacancies.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date from July 1, 2025, to upon its approval; and
- (2) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2434, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2434, H.D. 1, C.D. 1.

Representatives Yamane, Yamashita, Manahan and Wakai.
Managers on the part of the House.

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

Conf. Com. Rep. 12-08 on S.B. No. 3166

The purpose of this measure is to provide for the designation of at least two members of the Hawaii Community Development Authority as representatives of small businesses located in the Kakaako Community Development District.

Your Committee on Conference finds that this measure would assure that the purpose of section 206E-1, Hawaii Revised Statutes, is met. The designation of these small business representatives would further one of the Legislature's stated intentions for forming the Hawaii Community Development Authority, which was to address insufficient commercial and industrial facilities for rent.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2034, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3166, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3166, H.D. 1, C.D. 1.

Representatives Ito, Yamashita, Brower, Rhoads and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 13-08 on S.B. No. 2838

The purpose of this measure is to allow an individual taxpayer who files an electronic income tax return to request the Department of Taxation to deposit electronically the taxpayer's income tax refund into an unspecified maximum number of checking or savings accounts.

In addition, the measure:

- (1) Authorizes the Department of Taxation to modify and revise forms and computer systems to implement the new refund procedure; and
- (2) Requires the Director of Taxation to continue to visit low-income communities to assist in the preparation of tax filings.

Your Committee on Conference has amended this measure by:

- (1) Specifying that a taxpayer may indicate up to a maximum of three checking or savings accounts for receipt of an anticipated tax refund; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2838, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2838, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 14-08 on S.B. No. 2196

The purpose of this measure is to authorize the Department of Land and Natural Resources to regulate those commercial enterprises that operate out of private marinas.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date from July 1, 2030, to July 1, 2008; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2196, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2196, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Yamashita, Waters, Tokioka and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 15-08 on S.B. No. 2054

The purpose of this measure is to establish best interest of the child criteria to specify what factors the courts shall consider in making a custody or visitation determination concerning a minor child.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2008; and
- (2) Making one technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2054, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2054, S.D. 2, H.D. 2, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Belatti and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 16-08 on S.B. No. 2730

The purpose of this bill is to establish a preference for the placement of children needing child protective services.

Specifically, this bill:

- (1) Provides that a placement preference shall be given to an appropriate relative identified by the Department of Human Services (Department);
- (2) Provides that the Department and other authorized agencies shall make reasonable efforts to identify all relatives within six months of assuming foster custody of the child;
- (3) Establishes that the Department shall provide an application within fifteen days of an inquiry from a prospective relative to provide foster placement; and
- (4) Amends Hawaii Revised Statutes section 587-2, by adding new definitions for "hanai relative" and "relative".

Your Committee on Conference notes that by defining "hanai relative" as "an adult other than a blood relative who performs or has performed a substantial role in the upbringing or material support of a child", that the use of the word "substantial" was not intended to preclude consideration of qualitative factors. In this regard, your Committee on Conference does not intend to exclude prospective hanai relatives whose relationship with a child may not seem "substantial" in temporal length, but is found to be "substantial" in light of other appropriate discretionary considerations taken on a case-by-case basis, including an evident bond with the child.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2008; and
- (2) Making a technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2730, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2730, S.D. 2, H.D. 2, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Belatti and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 17-08 on S.B. No. 3087

The purpose of this measure is to require the Department of Labor and Industrial Relations to suspend for three years, any contractor that interferes with or delays an investigation by the Department of Labor and Industrial Relations, in determining if there has been a violation of the prevailing wage law.

Your Committee on Conference finds that by requiring the Director of Labor and Industrial Relations 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.

Your Committee on Conference has amended this measure by combining the provisions of the Senate Draft 1 and House Draft 1 to provide that for falsification of records, or for delay or interference with an investigation pursuant to section 104-22, Hawaii Revised Statutes, the contractor shall be suspended for a period of three years.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3087, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3087, S.D. 1, H.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro, Sagum, Takamine and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 18-08 on S.B. No. 1035

The purpose of this measure is to designate November 20th of each year as the Makahiki Commemoration Day.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1035, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1035, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Ito and Ching.
Managers on the part of the House.

Senators Tokuda, Fukunaga, English and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 19-08 on S.B. No. 2849

The purpose of this measure 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.

Your Committee on Conference has amended this measure by amending the definition of "plantation community subdivision" to allow for the construction of new agricultural employee housing and agricultural support buildings.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2849, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2849, S.D. 1, H.D. 1, C.D. 1.

Representatives Morita, Ito, Tsuji and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 20-08 on S.B. No. 2895

The purpose of this measure is to extend to equine animals, some of the legal protections accorded to pet animals relating to animal cruelty by making an offense involving serious bodily injury or death to an equine animal a class C felony.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2895, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2895, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 21-08 on S.B. No. 1337

The purpose of this measure is to clarify that when a court of competent jurisdiction issues an order compelling a parent to furnish his or her child with support, including child support, medical support, or other remedial care, and there is proof that:

- (1) The order was made, filed, and served on the parent; or
- (2) The parent was present in court at the time the order was pronounced; and
- (3) The parent did not comply with the order,

the proof shall constitute prima facie evidence of a civil contempt of court.

This measure also requires an order issued pursuant to this subsection to clearly state that failure to comply with the order may subject the parent to civil contempt of court, and that the penalty for civil contempt of court may include imprisonment.

The intent of your Committee on Conference is to facilitate the proof of civil contempt of court in proceedings involving enforcement of an order compelling a parent to pay child support, medical support, or other remedial care for the child.

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

- (1) Clarifying that if an order of civil contempt based on prima facie evidence imposes immediate imprisonment, the order shall set forth the conditions that must be met for release from imprisonment;
- (2) Clarifying that civil contempt of court may be established by means other than by prima facie evidence; and
- (3) Clarifying the savings clause to limit its application to civil contempt proceedings.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1337, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1337, H.D. 1, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Belatti and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 22-08 on S.B. No. 1961

The purpose of this measure is to establish a new part under chapter 804, Hawaii Revised Statutes, to provide comprehensive oversight and regulation of bail bond agents.

Specifically, the measure adds several definitions; establishes qualifications for licensing of bail bond agents; specifies grounds for the denial, suspension, or revocation of a bail bond agent's license; and establishes procedures for the exoneration of bail bond agents and sureties from bond liabilities and enforcement procedures for compensated sureties.

Your Committee on Conference wants to make it clear that an individual who serves as a bail bond agent cannot also legally represent the bailee. This is intended to address known practices where individuals are bailed by an attorney, and if they then refuse to be represented by that attorney, their bail is then revoked.

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

- (1) Deleting the new part established under chapter 804, Hawaii Revised Statutes and, instead, adding a new article in chapter 431, Hawaii Revised Statutes, to:
 - (A) Define the terms "bail agent" and "on the board";
 - (B) Establish grounds for the denial, nonrenewal, suspension, or revocation of a bail bond agent's insurance producer's license;

- (C) Establish fiduciary responsibilities for bail bond agents; and
 - (D) Prohibit an attorney who is a bail bond agent from representing a person to whom the attorney has furnished bail for compensation in any proceeding related to the furnishing of bail; and
- (2) Changing the effective date to January 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1961, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1961, S.D. 1, H.D. 1, C.D. 1.

Representatives Waters, Herkes, McKelvey and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 23-08 on S.B. No. 2644

The purpose of this bill is to clarify the professional qualifications of the state historic preservation officer and the deputy historic preservation officer.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the purpose of the measure is to require that any person who is appointed by the Governor as a state historic preservation officer, meets the required standards established by the United States Secretary of the Interior;
- (2) Deleting the inclusion of the deputy historic preservation officer in the amendments to section 6E-5, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2644, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2644, S.D. 1, H.D. 1, C.D. 1.

Representatives Ito, Yamane, Karamatsu, Sagum and Ching.
Managers on the part of the House.

Senators Fukunaga, Tokuda, Espero, Kokubun and Whalen.
Managers on the part of the Senate.
(Senators Kokubun and Whalen were excused.)

Conf. Com. Rep. 24-08 on S.B. No. 2345

The purpose of this measure is to establish the Children's Bill of Rights to be used by state agencies when dealing with children of incarcerated parents.

Your Committee has amended this measure by:

- (1) Adopting the language of S.B. No. 2345, Senate Draft 1, which establishes guiding principles to be used by state agencies when dealing with children of incarcerated parents;
- (2) Adopting amendments suggested by the Department of the Attorney General, which help to clarify the aspirational nature of the measure; and
- (3) Changing its effective date to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2345, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2345, S.D. 1, H.D. 1, C.D. 1.

Representatives Evans, Shimabukuro, B. Oshiro and Finnegan.
Managers on the part of the House.

Senators Chun Oakland, Nishihara, Espero, Sakamoto and Hemmings.
Managers on the part of the Senate.
(Senators Sakamoto and Hemmings were excused.)

Conf. Com. Rep. 25-08 on S.B. No. 1891

The purpose of this measure is to protect the State's public lands by establishing criminal penalties for violations of chapter 171, Hawaii Revised Statutes, relating to management and disposition of public lands.

Specifically, the measure establishes that violating chapter 171, Hawaii Revised Statutes, and any rule adopted thereunder is a petty misdemeanor and provides escalating penalties for subsequent violations.

Your Committee on Conference has amended this measure by amending its effective date to be effective upon approval.

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

Representatives Ito, Waters, Karamatsu and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 26-08 on S.B. No. 3061

The purpose of this measure is to conform state law to current federal law by deleting references to the Aid to Families with Dependent Children Act and the Job Opportunities and Basic Skills Act and replacing them with language referencing Temporary Assistance for Needy Families, Temporary Assistance for Other Needy Families, and the First-to-Work program.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3061, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3061, H.D. 1, C.D. 1.

Representatives Shimabukuro, Sonson, Rhoads, Awana and Ward.
Managers on the part of the House.
(Representatives Awana and Sonson were excused.)

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

Conf. Com. Rep. 27-08 on S.B. No. 2456

The purpose of this bill is to create a new petty misdemeanor offense of harassment by impersonation.

Your Committee on Conference has amended this measure by:

- (1) Changing the offense from a petty misdemeanor to a misdemeanor; and
- (2) Changing the effective date from July 1, 2050, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2456, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2456, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 28-08 on S.B. No. 2449

The purpose of this bill is to remove the statutory probationary periods for new teachers, principals, and vice-principals of the Department of Education.

Your Committee on Conference finds that, pursuant to the collective bargaining agreement negotiated between the exclusive representative for bargaining unit (5) and the State, newly employed teachers of the Department of Education are subject to a probationary period of one year, or two semesters. Collective bargaining negotiations between the exclusive representative of bargaining unit (6) and the State

regarding probationary periods for principals and vice-principals have also been occurring. Under the current law, all new teachers, principals, and vice-principals are subject to statutory probationary periods of two years. This bill removes the statutory probationary periods to allow such matters to be handled through the collective bargaining process. This change acknowledges the prior and pending agreements made and honors the spirit of the collective bargaining process provided to eligible employees.

Upon further consideration, your Committee on Conference has amended this bill by including language to indicate that the repeal of the law reflects the Department of Education's and the Hawaii State Teachers Association's efforts to clarify and simplify the process for extending the probationary period for teachers and school administrators.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2449, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2449, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Sonson, Berg, Takamine and Finnegan.
Managers on the part of the House.

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

Conf. Com. Rep. 29-08 on S.B. No. 3051

The purpose of this measure is to authorize the Department of Human Services (Department) or its designee to conduct criminal history record checks for certain individuals who provide services to vulnerable adults and children.

This measure also:

- (1) Adds the retired and senior volunteer program to the list of Department programs for which criminal background record checks are conducted; and
- (2) Expands the list of individuals whose backgrounds may be looked into to include volunteers and other adults regularly present at the programs identified in Hawaii Revised Statutes section 346-97.

Your Committee has amended this measure by:

- (1) Adopting the language of S.B. No. 3051, Senate Draft 2, House Draft 1, which permits the Department to designate a third party to conduct certain criminal record checks;
- (2) Changing its effective date to July 1, 2008;
- (3) Expanding the amendments made to Hawaii Revised Statutes section 346-97 to:
 - (a) Include subsection (c) to allow individuals subject to a Department background check to provide consent to the Department or its designee;
 - (b) Include subsection (d) to mandate that the Department or its designee shall obtain criminal history record information on specified individuals for two years, and shall conduct criminal history name inquiries annually or biennially thereafter;
- (4) Expanding the amendments made to Hawaii Revised Statutes section 346-335 to:
 - (a) Clarify that an applicant for programs set forth in Hawaii Revised Statutes section 346-97 shall be subject to criminal history record checks and adult abuse perpetrator checks, and shall provide consent for such checks to the Department or its designee; and
 - (b) Include subsection (e) to provide that the Department or its designee shall conduct name inquiries into criminal history records and the adult protective service file for two years, and then annually or biennially thereafter depending on the licensure status of the employing home and community-based case management agency;
- (5) Amending the amendments made to Hawaii Revised Statutes section 846-2.7 subsection (b)(19) to amend the term "dependent adult" to read "vulnerable adult"; and subsection (b)(23) to allow the Department to conduct criminal history record checks on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under any other applicable section of the Social Security Act in addition to Section 1915(c)); and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3051, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3051, S.D. 2, H.D. 1, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Rhoads, Awana and Ward.

Managers on the part of the House.
(Representatives Awana and Ward were excused.)

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

Conf. Com. Rep. 30-08 on S.B. No. 2373

The purpose of this bill is to reduce the purchase of pseudoephedrine containing products for the purpose of manufacturing methamphetamines by requiring pharmacies and retailers to maintain an electronic log of pseudoephedrine and pseudoephedrine combination product sales and transmit the information to the Department of Public Safety Narcotics Enforcement Division on a monthly basis.

Your Committee on Conference finds that many of the retail stores in the State that are able to sell pseudoephedrine products, are not pharmacies and are unable to verify prior pseudoephedrine sales with their other retail counterparts. Thus, an individual has the ability to visit multiple retail chain stores and obtain 3.6 grams of pseudoephedrine per visit without the retailer being able to verify or track the individual's previous purchases that day. This bill will curtail the purchase of pseudoephedrine products for the manufacturing of methamphetamines, and assist law enforcement in their efforts in verifying and tracking pseudoephedrine sales.

Your Committee on Conference has amended this bill by:

- (1) Adopting language suggested by the Narcotics Enforcement Division of the Department of Public Safety that amends section 329-75, Hawaii Revised Statutes, by:
 - (A) Deleting language that refers to a pharmacy or retailer dispensing controlled substances;
 - (B) Creating a class C felony penalty for any person who is guilty of knowingly purchasing, possessing, or receiving more than nine grams of any product containing a detectable quantity of pseudoephedrine without a valid prescription within a thirty-day period; and
 - (C) Creating a misdemeanor and the immediate license suspension penalty for any retailer who intentionally or knowingly fails to transmit any information on the electronic log; and
- (2) Changing the effective date of this measure from January 1, 2050, to July 1, 2008 and changing the implementation deadline for pharmacies and retailers to establish the electronic log from January 1, 2050, to January 1, 2010; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2373, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2373, S.D. 1, H.D. 2, C.D. 1.

Representatives Green, Evans, Herkes, B. Oshiro, Har and Ward.
Managers on the part of the House.
(Representative Herkes was excused.)

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

Conf. Com. Rep. 31-08 on S.B. No. 2080

The purpose of this bill is to authorize the Hawaii Teacher Standards Board to automatically suspend and subsequently revoke a teacher's license when the teacher has been convicted of certain sexual offenses against a minor.

This bill also:

- (1) Requires the Board of Education and the Clerk of Court in which the conviction is made to notify appropriate parties of the conviction; and
- (2) Provides procedures for reconsideration of suspension or revocation of a teacher's license for the conviction of certain sexual offenses against a minor.

Your Committee on Conference finds that the health and safety of our keiki, particularly while they are in school, is a high priority for the State. While the Department of Education takes necessary precautions in screening and hiring employees, the Hawaii Teacher Standards Board can provide great assistance in ensuring that teachers convicted of certain crimes do not retain or renew their licenses to teach in the State. This bill authorizes the Hawaii Teacher Standards Board to automatically suspend and subsequently revoke a teacher's license upon notice that a teacher has been convicted of a sexual offense against a minor. Although this practice is being examined by the Hawaii Teacher Standards Board for inclusion in its administrative rules, this matter is appropriate for immediate statutory implementation until such rules may be adopted to ensure the safety of our students.

Upon further review, your Committee on Conference has amended this bill by changing its effective date to upon approval; provided that it shall be repealed on July 1, 2010, or upon adoption of rules regarding the matter by the Hawaii Teacher Standards Board, whichever is earlier.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2080, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2080, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 32-08 on S.B. No. 2785

The purpose of this measure is to increase the maximum amount in controversy over which the District Court shall have jurisdiction in civil actions from \$20,000 to \$30,000.

The current limit for claims in the District Courts was established by the Legislature in 1994. An increase in the jurisdictional limit of the District Courts would take into account the effect of inflation over the years.

Your Committee on Conference has amended this measure by:

- (1) Changing the limit to \$25,000; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2785, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2785, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 33-08 on S.B. No. 3092

The purpose of this measure is to prevent identity theft of individuals in the State by preventing persons' full social security numbers from being disclosed in certain public documents.

Specifically, this measure prohibits judgments, orders, and decrees that are recorded in the Land Court and the Bureau of Conveyances from using the full social security number, and instead requires the use of only the last four digits of the social security number to identify the person against whom the judgment, order, or decree is rendered.

The intent of your Committee on Conference is to protect persons from identity theft in one of the most common legal documents filed with the State.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3092, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3092, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 34-08 on S.B. No. 2499

The purpose of this measure is to facilitate the establishment of kalo as the official State plant by making Act 36, Session Laws of Hawaii 2007, effective upon the completion of 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.

Your Committee on Conference have amended this measure by making Act 36, Session Laws of Hawaii 2007, effective upon the completion of the following:

- (1) The Office of Hawaiian Affairs publishes, in its statewide publication, a statement that establishes the importance of Act 36 in promoting and preserving Hawaii's unique cultural heritage;
- (2) The Office of Hawaiian Affairs conducts community meetings in each county of the State that allows for public input and dialogue regarding the provisions of Act 36, if the Office of Hawaiian Affairs determines that there is sufficient interest from the public in participating in these community meetings; and
- (3) The Board of Trustees of the Office of Hawaiian Affairs, at a duly-noticed meeting, votes in the affirmative to declare that the provisions of paragraphs (1) and (2) have been met.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2499, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2499, H.D. 1, C.D. 1.

Representatives Yamane, Ito, Takumi, Waters, Manahan and Ching.
Managers on the part of the House.
(Representatives Waters and Ching were excused.)

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

Conf. Com. Rep. 35-08 on S.B. No. 2833

The purpose of this bill is to address the long range issues critical to Hawaii's way of life and natural resources and assure a sustainable outlook for future generations by requiring the University of Hawaii at Manoa's Public Policy Center to review the Hawaii 2050 Sustainability Plan and report to the Legislature no later than twenty days prior to the convening of the 2010 Regular Session.

Your Committee on Conference finds that the Hawaii 2050 Sustainability Plan is an important tool and guiding force for the State and that community engagement is vital for the development, implementation, and longevity of the plan. However, further study and development of the plan is needed in order for the plan to more effectively serve as guide to policy makers.

Your Committee on Conference notes that the University of Hawaii at Manoa's Public Policy Center will review the sustainability plan documents, data sources, and benchmarks developed to date by the Hawaii 2050 Sustainability Task Force. The Public Policy Center will meet with the leaders and organizations that developed each of the goals to frame and clarify their goals, objectives, actions, and benchmarks. Using its existing resources, the Public Policy Center will provide a report on the feedback from the various stakeholders, and the report will include a suggested action plan for furthering the vision and goals of the Hawaii 2050 Sustainability Plan.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date from July 1, 2050, to effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2833, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2833, S.D. 1, H.D. 1, C.D. 1.

Representatives Chang, Morita, Ito, Yamashita, Shimabukuro, M. Oshiro and Ward.
Managers on the part of the House.
(Representatives Ito, Shimabukuro and Ward were excused.)

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

Conf. Com. Rep. 36-08 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. This bill authorizes disclosure of a person's record of diagnosis and prescribed medications when the disclosure is made by the person's most recent health care provider to a subsequent health care provider for the purpose of continued care or treatment.

Upon further consideration, your Committee on Conference has made the following amendments to S.B. No. 1802, H.D. 1:

- (1) Inserted definitions of "health care operations", "health care provider", and "treatment summary" to section 334-1, Hawaii Revised Statutes, to clarify which records of information may be disclosed;
- (2) Deleted language that allowed for the disclosure of records of diagnosis and prescribed medications by the person's most recent health care provider to a subsequent health care provider;
- (3) Inserted language that allows for the disclosure of a person's treatment summary from a previous five-year period from one health care provider to another when deemed necessary for the purpose of continued care and treatment of the person, or for health care operations; provided that the health care provider seeking disclosure makes reasonable efforts to obtain advance consent from the person;
- (4) Changed the effective date to upon approval; and
- (5) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1802, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1802, H.D. 1, C.D. 1.

Representatives Green, B. Oshiro and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 37-08 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:

- (1) Requiring the Department of Health to submit an annual report that 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 ninety to thirty days for individuals who are recommitted after conditional release;
- (4) Appropriating funds for the operation and expansion of the mental health court; and
- (5) 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.

Upon further consideration, your Committee on Conference has made the following amendments to S.B. No. 2396, S.D. 1, H.D. 3:

- (1) Deleted the language that requires court assessments, except where an individual has applied for conditional release or discharge within the previous year, of the need for further inpatient hospitalization of a person who is acquitted of a felony on the ground of physical or mental disease, disorder, or defect excluding responsibility:
 - (A) One calendar year after the date of commitment; and
 - (B) Once per year after the first calendar year for the next four years and then in biennial intervals thereafter;
- (2) Inserted language that authorizes the Director of Health or a committed person to apply to the court to conduct a hearing to assess any further need for inpatient hospitalization of a person who is acquitted of a felony on the ground of physical or mental disease, disorder, or defect excluding responsibility;
- (3) Inserted language that, upon application to the court by either the Director of Health or the person committed, requires the court to complete the hearing process and render a decision within sixty days of the application, provided that for good cause the court may extend the sixty day time frame upon the request of the Director of Health or the committed person;
- (4) Amended the timeline for an application for conditional release or discharge from hospitalization of a committed person from thirty days to sixty days following the revocation of conditional release;
- (5) Deleted the provision appropriating funds for the operations and expansion of the mental health court;
- (6) Inserted language that makes assault on a person employed at a state-operated or contracted mental health facility an assault in the second degree which is a class C felony;
- (7) Changed the effective date to July 1, 2008; and

- (8) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2396, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2396, S.D. 1, H.D. 3, C.D. 1.

Representatives Green, B. Oshiro, M. Oshiro, Mizuno and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 38-08 on S.B. No. 2212

The purpose of this measure is to:

- (1) Make it a crime of kidnapping in the first degree to intentionally or knowingly restrain another person with the intent to unlawfully obtain the labor or services of the person, regardless of whether a debt collection is involved, and to define "labor" and "services" accordingly;
- (2) Delete a reference to involuntary servitude as an element of unlawful imprisonment in the first degree;
- (3) Add a reference to unlawfully obtaining "labor" in the commission of extortion, and adding an element to the offense, namely, to destroy, conceal, remove, confiscate, or possess a passport or other government identification or immigration document of another person;
- (4) Add a reference to "labor" as an element of extortion in the first, second, and third degrees;
- (5) Clarify the elements of the offense of promoting prostitution in the first degree by adding a reference to "force, threat, or intimidation" and deleting "criminal coercion"; and applying the offense to a person who knowingly advances or profits from prostitution of a person who is less than eighteen, rather than sixteen, years old; and
- (6) Clarify the elements of the offense of promoting prostitution in the second degree by inserting a reference to "prostituted persons".

The intent of your Committee on Conference is to strengthen the laws on prostitution and related offenses to deter and punish sexual exploitation of minors, including obscenity-related activities.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2212, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2212, S.D. 1, H.D. 2, C.D. 1.

Representatives Shimabukuro, Waters, Lee and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 39-08 on S.B. No. 2867

The purpose of this measure is to prohibit a chief procurement officer from delegating the chief procurement officer's authority to resolve protests under the Hawaii Public Procurement Code.

This measure also specifies that any false information or misrepresentation knowingly placed in the solicitation of an offeror or a subcontractor shall be a basis for not awarding the contract to the offeror or the subcontractor and shall result in the imposition by the chief procurement officer of a one year mandatory suspension from consideration for awards.

Your Committee on Conference has amended this measure by:

- (1) Specifying that any false information or misrepresentation knowingly placed in the solicitation of an offeror or a subcontractor by an agency shall be a basis for nullifying the solicitation by the administrator of the state procurement office;
- (2) Specifying that any false information or misrepresentation knowingly placed in the bid of the bidder or subcontractor shall be the basis for not awarding the bid to that bidder or the bidder's subcontractor; provided that the bidder or subcontractor may protest the non-award first to the agency letting the bid under section 103D-701, Hawaii Revised Statutes, secondly appeal thereafter to the State Procurement Office for proceedings under section 103D-703, Hawaii Revised Statutes, and thirdly thereafter request review by the Department of Commerce and Consumer Affairs under section 103D-709, Hawaii Revised Statutes;

- (3) Deleting reference to delegation of authority by the chief procurement officer's authority to resolve protests; and
- (4) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2867, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2867, S.D. 2, H.D. 2, C.D. 1.

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

Senators Nishihara, Taniguchi, Kim and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 40-08 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 (programs and services). Among other things, this bill:

- (1) Renames the funds collected and transferred for the programs and services as the Public Benefits Fee (Fee);
- (2) Clarifies the Public Utility Commission's (PUC's) ability to contract with a third-party Public Benefits Fee Administrator (Administrator) to manage the programs and services;
- (3) Declares that the Fee is not to be considered state or public moneys subject to appropriation by the Legislature or required to be deposited into the state treasury; and
- (4) Allows the State to participate in the programs and services on the same basis as any other electric consumer.

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

- (1) Clarifying that the Administrator is contracted by the PUC, not appointed;
- (2) In lieu of the provision exempting the contract to purchase third-party administrative services from the Procurement Code, establishing that the Administrator shall not be deemed to be a "governmental body" as defined in the Procurement Code;
- (3) Changing its 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3001, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3001, S.D. 2, H.D. 2, C.D. 1.

Representatives Morita, Herkes, Carroll, McKelvey and Thielen.
Managers on the part of the House.

Senators Menor, Kokubun, Baker and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 41-08 on S.B. No. 2341

The purpose of this bill is to require out-of-state detention facilities that hold inmates from Hawaii, pursuant to a contract with the State of Hawaii, to provide the public with information relating to the operation of their facility.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the remedies available for failure to provide information shall not be available for information that is entitled to protection under section 92F-13, Hawaii Revised Statutes, or information that is a trade secret as defined in section 482B-2, Hawaii Revised Statutes;
- (2) Defining "privately owned prison or other out-of-state detention facility";
- (3) Changing the effective date to July 1, 2008; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2341, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2341, S.D. 1, H.D. 1, C.D. 1.

Representatives Evans, B. Oshiro, Har and Finnegan.
Managers on the part of the House.

Senators Espero, Taniguchi, Nishihara and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 42-08 on S.B. No. 1487

The purpose of the bill is to improve and update Hawaii's controlled substances schedules to conform to changes made in federal law. This bill clarifies the definition of schedule II depressants and adds pregabalin as a schedule V depressant.

Your Committee upon further consideration has made the following amendments to S.B. No. 1487, S.D. 2, H.D. 2:

- (1) Deleted Part I of the bill which amended the schedule I, II, IV, and V controlled substances statutes regarding depressants;
- (2) Changed the effective date to July 1, 2008; and
- (3) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1487, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1487, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 43-08 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.

Upon further consideration, your Committee on Conference has made the following amendments to S.B. No. 2363, S.D. 2, H.D. 1:

- (1) Deleted the explicit mens rea language "knowingly" from the offenses of sexual assault in the first and third degrees as applied to persons who are mentally defective;
- (2) Deleted language that eliminated the requirement that the prosecution prove that the person knew the other person was mentally defective;
- (3) Provided for an affirmative defense, in a prosecution for the offenses of sexual assault in the first and third degrees, that the person did not know that the other person was mentally defective;
- (4) Changed the effective date to "upon approval"; and
- (5) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2363, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2363, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 44-08 on S.B. No. 2157

The purpose of this measure is to clarify the right of a pain patient to be prescribed controlled substances to relieve pain.

Specifically, this measure adds to the pain patient's bill of rights a provision that the relief of pain shall be guided by the medical principle that physical tolerance and dependence are normal consequences of sustained use of opiate medication, distinguishable from psychological dependency or addiction. This measure also provides that patients suffering severe acute or chronic pain shall be entitled to receive a prescription of opiate medication, if requested by the patient; provided that the patient is not addicted to the opiate and the opiate is appropriate for treatment.

Furthermore, this measure extends the length of time for a schedule II controlled substance prescription to be filled from three to seven days after the prescription is issued to the patient.

Your Committee on Conference has amended this measure by:

- (1) Deleting reference in the purpose section to controlling pain from disease and chronic conditions, and references to a 1999 survey and a research publication; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2157, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2157, S.D. 1, H.D. 2, C.D. 1.

Representatives Green, B. Oshiro, M. Oshiro, Mizuno and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 45-08 on S.B. No. 3203

The purpose of this measure is to criminalize "animal hoarding" as a petty misdemeanor.

Specifically, the measure defines "animal hoarding" as the:

- (1) Possession of twenty or more dogs, cats, or a combination of dogs and cats;
- (2) Failure to provide necessary sustenance for each dog or cat; and
- (3) Disregarding of conditions under which the dogs or cats are living and the deleterious impact the conditions have on the dogs', cats', or owner's health and well-being.

This measure is in response to recent incidences of the keeping of a large number of animals, typically dogs and cats, without providing them adequate care.

Your Committee on Conference notes that the standard of care with regard to cruelty to animals in section 711-1100, Hawaii Revised Statutes, defines "necessary sustenance" as follows:

"Necessary sustenance" means care sufficient to preserve the health and well-being of a pet animal, except for emergencies or circumstances beyond the reasonable control of the owner or caretaker of the pet animal, and includes but is not limited to the following requirements:

- (1) Food of sufficient quantity and quality to allow for normal growth or maintenance of body weight;
- (2) Open or adequate access to water in sufficient quantity and quality to satisfy the animal's needs;
- (3) Access to protection from wind, rain, or sun; and
- (4) An area of confinement that has adequate space necessary for the health of the animal and is kept reasonably clean and free from excess waste or other contaminants that could affect the animal's health."

Your Committee on Conference finds that animal hoarding is an under-recognized community problem that affects both human and animal welfare.

Your Committee on Conference has amended this measure by:

- (1) Making it a misdemeanor offense;
- (2) Clarifying the state of mind for the offense as intentionally, knowingly, or recklessly;
- (3) Clarify the conditions in which the dogs or cats are living as an element of the offense, to address an issue raised by the Attorney General;
- (4) Making conforming statutory amendments; and
- (5) Changing the effective date to upon approval and inserting a sunset of July 1, 2011, to give this measure time to prove its effectiveness and to revisit any complications, if any, that may be experienced in its application.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3203, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3203, S.D. 1, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 46-08 on S.B. No. 2825

The purpose of this measure is:

- (1) Allow the Administrator of the State Procurement Office to determine the corrective actions; and
- (2) Specify that procurement officers who fail to comply with the Administrator's determination of corrective action within thirty days of issuance of the determination, or longer if permitted by the Administrator, are subject to an administrative fine for each day of noncompliance.

Your Committee on Conference finds that governmental bodies are culpable at times for procurements that are not in compliance with law. The Hawaii Public Procurement Code provides general authority to the Chief Procurement Officer to assess fines. This measure clarifies that the Administrator of the State Procurement Office may assess fines in those instances against governmental bodies, including public employees, as well as to make determinations as to corrective actions.

Your Committee on Conference has amended this measure by changing the effective date to January 1, 2009, and making technical nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2825, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2825, S.D. 1, H.D. 2, C.D. 1.

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

Senators Nishihara, Tsutsui, Kim and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 47-08 on S.B. No. 6

The purpose of this measure 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.

According to Hawaii's scientific community, in the past century, there has been a ten-fold decline in the amount of opihi available in markets, and the average amount of opihi has further decreased by one-half in the past 40 years. The people of Hawaii, opihi harvesters, university scientists, and marine resource managers agree that the popularity of opihi as a delicacy has led to overharvesting statewide and the decline of natural populations. Notably, the Island of Oahu has been impacted especially hard, where *Cellana exarata* and *Cellana sandwicensis* are rare, and *Cellana talcosa* is functionally absent.

Marine scientists have discovered that the key to increasing the sustainable harvest of the opihi populations is protecting a portion of the populations so that they may reproduce and create the next generation. Fisheries replenishment/management areas are a promising management tool to protect breeding populations, while allowing harvest in unprotected areas. The life history characteristics of opihi are perfectly suited to this management strategy because the adults will remain within the protected areas, and the swimming larvae of the opihi can disperse within an island and replenish both harvested and protected areas.

Your Committee on Conference finds that the use of scientific management tools to protect and increase breeding populations, in particular on the Island of Oahu for at least a period of five years, is necessary. Further, this measure recognizes Native Hawaiian gathering rights as articulated by the Supreme Court of Hawaii in Public Access Shoreline Hawaii v. Hawaii County Planning Commission, 903 P.2d 1246, 79 Haw. 425 (Haw. 1995), and the area governed by the Kahoolawe Island Reserve Commission.

Your Committee on Conference has amended this measure by:

- (1) Amending its purpose to more accurately reflect the intent to protect the opihi population and prevent the extinction of opihi in the State;
- (2) Making it unlawful for five years to take or harvest opihi on the Island of Oahu;
- (3) Making it unlawful to take, harvest, or possess opihi from all off-shore islets and islands in the State, including but not limited to those islands listed in the *Atlas of Hawai'i, 3rd Edition (1998), Geography Dept., UH-Hilo*, man-made jetties

and breakwaters, as well as fishery management areas, fisheries replenishment areas, natural area reserves, refuges, and marine life conservation districts established by the Department of Land and Natural Resources;

- (4) Making it unlawful for a person to be in possession of at least one item from each of the following paragraphs, at the same time:
 - (a) Equipment of any apparatus that would allow a person to see and remain underwater;
 - (b) An instrument commonly used as a tool to harvest or take opihi; and
 - (c) Live opihi;
- (5) Requiring the Department of Land and Natural Resources, Division of Aquatic Resources to monitor the population size and demography of each species of opihi to determine the effectiveness of this measure and to submit an annual report to the Legislature;
- (6) Providing that the Kahoolawe Island Reserve Commission shall govern the taking, harvesting, or possessing of opihi from within the Kahoolawe Island Reserve;
- (7) Exempting from this measure the exercise of native Hawaiian gathering rights as defined by the Supreme Court of Hawaii in Public Access Shoreline Hawaii v. Hawaii County Planning Commission, 903 P.2d 1246, 79 Haw. 425 (Haw. 1995); provided that this section shall not apply to the taking of opihi from below the waterline at anytime; and
- (8) Changing the effective date to "upon approval" and repealing the ban on taking or harvesting opihi on Oahu on June 30, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 6, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 6, H.D. 2, C.D. 1.

Representatives Ito, Waters and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 48-08 on S.B. No. 2827

The purpose of this measure is to require under the Hawaii Public Procurement Code that:

- (1) A protest be submitted in writing within seven working days after the aggrieved person knows or should have known of the facts giving rise thereto; and
- (2) The purchasing agency notify in writing all offerors that solicited an award of a contract of their non-selection not later than the day of the posting of the award. The publicly posted award must include specified information.

The intent of your Committee on Conference is to give non-selected bidders timely notification of their non-selection so that they may exercise their right to file a protest within the time frame established by law. This will greatly assist in making the procurement process transparent and fair.

Your Committee has amended this measure by adding a requirement that written notification to the non-selected persons be sent not later than the day of the posting of the electronic posting of awarded contracts for professional services of \$5,000 or more.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2827, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2827, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamashita, Wakai and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 49-08 on S.B. No. 2163

The purpose of this bill is to limit the duration of employment of an emergency unlicensed hire of the Department of Education to three years or four years if hired prior to July 1, 2008.

Your Committee on Conference finds that to provide adequate public education for our keiki, the problem to be addressed is not simply that of a teacher shortage, but more specifically the shortage of highly qualified licensed teachers. The Hawaii Teacher Standards Board is tasked with regulating teachers within the State, and, although currently the Department of Education is experiencing a shortage of qualified licensed teachers to teach in the public schools, maximization of teacher licensure in the public schools should be our goal. The current law allows unlicensed individuals to be hired on an emergency basis for a maximum period of four years, while demonstrating active pursuit of proper licenses. This bill reduces the duration of employment for such emergency hires to three years, or four years for unlicensed individuals hired prior to July 1, 2008. This limitation should encourage unlicensed individuals to become licensed in a more expeditious manner; however, the issue may need to be revisited in the future to ensure that it is not acting as an obstacle to ensuring there are adequate numbers of teachers to teach in the public schools.

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

- (1) Providing that the amendments made to section 302A-804, Hawaii Revised Statutes, under section 2 shall be repealed on July 1, 2011; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2163, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2163, S.D. 1, H.D. 1, C.D. 1.

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

Senators Sakamoto, Tokuda, Nishihara, Gabbard and Slom.
Managers on the part of the Senate.
(Senator Tokuda was excused.)

Conf. Com. Rep. 50-08 on S.B. No. 1793

The purpose of this measure is to grant the Natural Energy Laboratory of Hawaii Authority (NELHA) the authority to:

- (1) Directly communicate with the Governor and the Legislature;
- (2) Make decisions regarding employment, appointment, promotion, transfer, demotion, discharge, and job descriptions of all officers and employees without the approval of the Director of Business, Economic Development, and Tourism (DBEDT); and
- (3) Purchase supplies, equipment, and furniture without the approval of DBEDT.

Your Committee has amended this measure by:

- (1) Clarifying that NELHA's authority to:
 - (A) Communicate directly with the Governor and the Legislature; and
 - (B) Make employment related decisions and supply, equipment, and furniture purchases without DBEDT approval, shall not apply to NELHA's powers or actions related to the Center of Excellence for Research in Ocean Sciences;
- (2) Increasing from eleven to thirteen, the number of members on the Board of NELHA (Board);
- (3) Increasing from three to five, the number of voting Board members appointed by the Governor, and requiring two of them to be selected from tenants of NELHA and three of them to be from the general public;
- (4) Recusing the tenant members of the Board from voting on lease rent or water rate issues, to avoid conflicts of interest;
- (5) Requiring a super majority vote of seven members to make decisions on lease rent or water rate issues; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1793, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1793, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamashita, Morita, Lee, Wakai and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Menor, Fukunaga and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 51-08 on H.B. No. 2511

The purpose of this bill is to assist lower-income individuals seeking rental housing by allowing an individual who qualifies for a rent supplement up to 180 days to find a rental unit after the individual's application for the rent supplement is approved.

Your Committee on Conference has amended this bill by:

- (1) Reducing the time to find a rental unit from 180 to 90 days; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2511, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2511, H.D. 1, S.D. 2, C.D. 1.

Representatives Shimabukuro, Rhoads, Awana and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 52-08 on H.B. No. 3331

The purpose of this bill is to clarify dispute resolution procedures relating to the interpretation or enforcement of a condominium association's declaration, bylaws, house rules, or certain other matters. Among other things, this bill:

- (1) Clarifies the types of disputes that are subject to mediation;
- (2) Establishes notification requirements for mediations;
- (3) Allows the parties to a failed mediation to pursue arbitration no sooner than 30 days from the termination of mediation; and
- (4) Sets forth the procedures by which failed mediations may proceed to administrative hearings.

Your Committee on Conference finds that this bill enhances the condominium dispute resolution process intended to provide a quicker, less-expensive means of resolving condominium disputes. However, concerns were raised regarding:

- (1) The provision deeming a party to have participated in mediation upon receipt of written notice of the proceedings from the mediator, regardless of whether the party actually attends the mediation. There were concerns that this provision would lead to confusion because "participation" in the mediation context generally means attendance at a mediation session; and
- (2) The requirement that the mediator notify the Real Estate Commission in writing of the reasons that mediation was not completed. This requirement would erode the privacy of mediation communications, which is an essential component of these proceedings.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Deleting the aforementioned provisions relating to a party's participation in mediation through the receipt of written notice, and the privacy of mediation communications;
- (2) Changing the effective date to July 1, 2008; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3331, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3331, H.D. 2, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 53-08 on H.B. No. 2810

The purpose of this bill is to ensure that farmers operating in remote areas of the state are provided with affordable access to water by:

- (1) Requiring a public utility, upon receipt of a bona fide request for preferential rates for potable water used for agricultural activities and proof that the customer engages in agricultural activities, to provide preferential rates for potable water to be used only for agricultural activities; and
- (2) Allowing the preferential rates to be subsidized by the water rates charged to other customers of the public utility.

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

- (1) Specifying that the public utility provide proposed preferential rates for potable water to be used only for qualified agricultural activities to the Public Utilities Commission (PUC) for approval;
- (2) Requiring preferential rates approved by the PUC to be subsidized by the potable water rates charged to other customers of the public utility if required as determined by the PUC;
- (3) Allowing the PUC, in consultation with the Department of Agriculture, to establish additional criteria for qualification of bona fide agribusinesses for water used solely for agricultural activities;
- (4) Requiring the PUC to allow the recovery of any reasonable unamortized costs incurred by the public utility in its previous rate case, provided that upon full amortization of the costs, rates shall be adjusted accordingly; and
- (5) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2810, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2810, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 54-08 on H.B. No. 2450

The purpose of this bill is to protect farming operations from urban encroachment by requiring:

- (1) The Land Use Commission to inform applicants requesting reclassification, to urban or rural districts, of land contiguous to an existing agricultural land district of the presence of the existing, contiguous agricultural district; and
- (2) The applicant, as a condition of land reclassification, to:
 - (A) Permit the continued operation of any existing farming operation on the contiguous agricultural district; and
 - (B) Comply with the provisions of the Hawaii Right to Farm Act.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting provisions that require that any decision approving a petition for a boundary amendment where lands in the petition area are contiguous or adjacent to lands in the agricultural district to contain the following conditions for approval:

- (1) A prohibition on actions that would interfere with or restrain farming operations, provided that the farming operations are consistent with generally accepted agricultural and management practices; and
- (2) Notification to certain entities that farming operations and practices are protected under the Hawaii Right To Farm Act, and requiring that the notice shall be included in any disclosure required for the sale or transfer of real property or any interest in real property and provided to lessees or tenants of the land.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2450, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2450, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Ito, Waters, Karamatsu and Ching.
Managers on the part of the House.
(Representative Waters was excused.)

Senators Tokuda, Fukunaga, Taniguchi, Kokubun and Slom.
Managers on the part of the Senate.
(Senators Fukunaga and Slom were excused.)

Conf. Com. Rep. 55-08 on H.B. No. 2346

The purpose of this bill is to expand the offenses of endangering the welfare of a minor in the first and second degree to include causing or permitting a minor to inject, ingest, inhale, etc., any controlled substance listed in schedules I through IV not prescribed by a physician and excluding the medical use of marijuana.

Your Committee on Conference has amended this bill by:

- (1) Exempting from the second degree offense nursing mothers who may cause the ingestion or introduction of detectable amounts of any controlled substance listed in schedules I through IV to their minor children through breastfeeding; and
- (2) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2346, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2346, H.D. 2, S.D. 2, C.D. 1.

Representatives Shimabukuro, Waters, Rhoads and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 56-08 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.

Your Committee on Conference has amended this bill by reinserting the language in H.B. No. 3126. Specifically, this bill has been amended by:

- (1) Changing the effective date by:
 - (A) Removing the requirement that Congress consent to the Act for it to take effect; and
 - (B) Providing that the amendments made to section 215, Hawaiian Homes Commission Act, 1920, as amended, by this Act, not be repealed when Act 107, Session Laws of Hawaii 2000, takes effect with the consent of Congress;

and

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3126, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3126, S.D. 2, C.D. 1.

Representatives Ito, Tsuji, Karamatsu and Meyer.
Managers on the part of the House.

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

Conf. Com. Rep. 57-08 on H.B. No. 931

The purpose of this bill is to promote the use of specially-designed three-wheeled mopeds while maintaining highway safety by:

- (1) Exempting three-wheeled mopeds designed to carry a driver and passenger seated side-by-side from certain prohibitions on the operation of mopeds;
- (2) Requiring three-wheeled mopeds to carry liability and property damage insurance; and
- (3) Restricting three-wheeled mopeds to roadways with speed limits of 35 mph or less.

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

Representatives Souki, Waters and Ching.
Managers on the part of the House.

Senators English, Tsutsui, Gabbard and Whalen.
Managers on the part of the Senate.
(Senator Whalen was excused.)

Conf. Com. Rep. 58-08 on H.B. No. 2847

The purpose of this bill is to increase the circumstances in which persons who are subjected to administrative revocation of their driver's license may be granted a conditional license permit, to include driving:

- (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.

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 on Conference finds that the additional conditions authorized by this measure are fair and reasonable.

Your Committee on Conference notes that during previous testimony on this measure, the Judiciary had stated that sufficient lead time was necessary to implement documentary or procedural changes and requested that this bill be enacted no earlier than January 1, 2009. Accordingly, your Committee on Conference has amended this bill by changing its effective date to July 1, 2009.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2847, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2847, S.D. 1, C.D. 1.

Representatives Souki, Waters, Nishimoto and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 59-08 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.

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 often not the registered or legal owner of the vehicle.

Your Committee on Conference 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 the current inter-island ferry service.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2953, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2953, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 60-08 on H.B. No. 3249

The purpose of this bill is to enhance bicycle safety by:

- (1) Prohibiting the parking of motor vehicles on bicycle lanes or bicycle paths; and
- (2) Establishing a fine of up to \$500 per violation.

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.

Your Committee on Conference has amended this measure by changing its effective date to make the Act effective upon its approval. Technical, nonsubstantive amendments were also made for clarity, consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3249, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3249, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 61-08 on H.B. No. 1356

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

- (1) Amending the definition of "former foster youth";
- (2) Increasing to 21 years of age the time allowed for a former foster youth to submit an application for a higher education board allowance;
- (3) Providing former foster youth who are between the ages of 22 and 26 on July 1, 2007, and who are already attending an institution of higher education, the opportunity to apply for a higher education board allowance within a year;
- (4) Increasing from 21 to 26 years of age the maximum age for the benefit;
- (5) Providing that the maximum benefit length is 60 months; and
- (6) Appropriating an unspecified amount of funds to provide the higher education board allowances.

Your Committee on Conference has amended this bill by:

- (1) Updating the dates by which a former foster youth already attending an institution of higher education may apply for a higher education board allowance;
- (2) Removing the appropriation section and inserting a provision that higher education board allowances be provided subject to the availability of state and federal funds;
- (3) Changing the effective date to July 1, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1356, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1356, H.D. 2, S.D. 2, C.D. 1.

Representatives Shimabukuro, Rhoads, Hanohano and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 62-08 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.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2661, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2661, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Carroll and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 63-08 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.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the Family Court may issue necessary orders upon any appropriate motion and not just upon the motion of a guardian ad litem; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 523, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 523, H.D. 2, S.D. 1, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Mizuno, Rhoads and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

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

Conf. Com. Rep. 64-08 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 body 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 body 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.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions that would authorize an attending physician to resolve a conflict between an advance health-care directive and the measures necessary to maintain the suitability of a part for transplantation or therapy;
- (2) Changing the effective date to July 1, 2008; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2139, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2139, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 65-08 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:

- (1) Allows premiums for employee group life insurance policies to be paid entirely by the employer, entirely by the insured employees, or by a combination of both employer and employee contributions;
- (2) 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 employees 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 dependents covered under a group life insurance policy in amounts equivalent to the amount of coverage for the employee;

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.

This bill conforms Hawaii law to model acts and regulations of 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 on Conference finds that the adoption of these provisions promotes uniformity of state insurance laws and will help ease regulatory compliance for insurers doing business across various states.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2255, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2255, H.D. 2, S.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 66-08 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 any entity responsible for enforcing the restrictions or conditions;
- (2) Specifying the types of planned communities for which seller disclosure statements must include the planned community declaration and association documents; and
- (3) 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.

Your Committee on Conference has amended this bill by changing its effective date to November 1, 2008, to allow community associations time to implement the provisions of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2492, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2492, H.D. 1, S.D. 1, C.D. 1.

Representatives Shimabukuro, Herkes, Cabanilla, McKelvey and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

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

Conf. Com. Rep. 67-08 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 and UH Tuition and Fees Special Fund (Special Fund) moneys, into the UH Commercial Enterprises Revolving Fund (Revolving Fund) to finance the establishment of new commercial enterprises. This bill also provides that no more than ten percent of Special Fund moneys may be loaned to the Revolving Fund for the same purpose.

Your Committee on Conference has amended this bill by:

- (1) Inserting a sunset date of June 30, 2011; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2245, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2245, H.D. 1, S.D. 2, C.D. 1.

Representatives Chang, M. Oshiro and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

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

Conf. Com. Rep. 68-08 on H.B. No. 1365

The purpose of this bill is to clarify that the Board of Trustees of the State Deferred Compensation Plan (Deferred Compensation Plan) and State Deferred Compensation Retirement Plan for Part-Time, Temporary, and Seasonal or Casual Employees (Deferred Compensation Retirement Plan) may select and offer to participants investment products that are commonly offered in the securities industry or other deferred compensation plans that are determined to be reasonable and prudent investment products.

The securities industry is dynamic and constantly offering new types of investment products to the public. Allowing the Board of Trustees to select and offer investment products that are prudent and reasonable investments and that keep pace with current practices in the securities industry will enable the board to adapt quickly to an ever-changing economic environment.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that only employees participating in the Deferred Compensation Plan or Deferred Compensation Retirement Plan shall invest their deferred compensation in the investment products permitted under the respective plan; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1365, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1365, S.D. 2, C.D. 1.

Representatives Sonson, M. Oshiro, Har and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 69-08 on H.B. No. 660

The purpose of this bill is to expand the jurisdiction of the circuit courts to include impeachment proceedings against county officers.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 660, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 660, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 70-08 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 to compel the production of books, papers, documents, or tangible things; and
- (2) Any judge of the Court to administer oaths.

Your Committee on Conference has amended this bill by:

- (1) Requiring the Judiciary to submit a report to the Legislature prior to the convening of the Regular Session of 2010 regarding the use of this subpoena power; and
- (2) Repealing the provisions of this bill on June 30, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2697, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2697, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 71-08 on H.B. No. 2730

The purpose of this bill is to establish legal requirements for neighborhood board 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 of unanticipated events at meetings.

Your Committee on Conference has amended this bill by:

- (1) Requiring a quorum to hold discussions prior to and related to voting; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2730, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2730, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 72-08 on H.B. No. 2253

The purpose of this bill is to clarify, update, and make corrections to Hawaii's liquor law to reflect current practices and procedures relating to licensing, hearings, and other regulation of the liquor industry.

The amendments in this bill were the result of a comprehensive review of Chapter 281, Hawaii Revised Statutes, held at the Annual State Liquor Conference in October 2007, and conducted by the four county liquor departments and their liquor commissions and adjudication boards, members of the Hawaii Hotel Association and Hawaii Retail Liquor Dealers Association, and representatives of liquor wholesale dealers.

Your Committee on Conference has amended this bill by removing:

- (1) Section 9, which made amendments to section 281-41, Hawaii Revised Statutes, relating to license transfers;
- (2) Section 19, which prohibited the sale of intoxicating liquor in any form other than for consumption as a beverage; and
- (3) Section 20, which allowed the imposition of both a fine and a license suspension on licensees and increased the maximum fine to \$5,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2253, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2253, H.D. 2, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 73-08 on H.B. No. 2550

The purpose of this bill is to encourage customers to invest in renewable energy systems through net-energy metering programs by requiring the Public Utilities Commission (PUC) to ensure that a percentage of the total rated generated capacity produced by eligible customer-generators be reserved for electricity produced by eligible residential or small commercial customer-generators.

This bill also authorizes the PUC to:

- (1) Define the maximum capacity for eligible residential or small commercial customer-generators; and
- (2) Evaluate, on an island-by-island basis, the applicability of generating capacity requirements and, in its discretion, exempt an island or a utility grid system from the generating capacity requirements.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2550, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2550, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Herkes and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 74-08 on H.B. No. 2557

The purpose of this bill is to establish a limited privilege against the 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 for persons involved in news gathering and reporting.

Your Committee on Conference has amended this measure by:

- (1) Specifically adding a protection against compelled disclosure for a person who has observed the alleged commission of a crime if the crime itself is the act of communicating or providing the information or documents at issue, and also if the interest in maintaining the privilege granted by this measure outweighs the public interest in disclosure;
- (2) Clarifying that the exception to the privilege in the case of a source or information related to a felony requires substantial evidence that the source or information sought is material to the investigation, prosecution, or defense thereof;
- (3) Adding that a source or information material to a civil action for defamation may also constitute an exception to the privilege, subject to the same three-part test of necessity regarding disclosure in the case of felonies;
- (4) Adding that the consent of a source to the disclosure of unpublished documents or other tangible materials provided by such person as an exception to the privilege;
- (5) Clarifying that an exception to the privilege applies in the case of information that is critical to prevent serious harm to life or public safety;
- (6) Changing the effective date to upon its approval and including a repeal date of June 30, 2011; and
- (7) Making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2557, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2557, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 75-08 on H.B. No. 1832

The purpose of this bill is to balance the need to preserve the scenic beauty of our islands with the freedom of expression by placing reasonable restrictions on signs on certain types of property. Specifically, this bill requires signs, billboards, and other outdoor advertising devices on residential properties to:

- (1) Be under four feet by two feet, up to a cumulative area of sixteen square feet;
- (2) Be under eight feet by four feet, up to a cumulative area of sixty-four square feet in common areas of multi-unit residential structures, provided that the rules of the association of apartment owners permits the displaying of signs; and
- (3) Not be displayed in return for any payment, fee, or valuable consideration, provided that the benefit derived from the effect of the advertising is not considered valuable consideration.

Your Committee on Conference has amended this bill by:

- (1) Deleting the preamble language;
- (2) Clarifying that the limitations in this bill apply to all signs and outdoor advertising devices, not just signs, billboards, and outdoor advertising devices subject to section 445-112, Hawaii Revised Statutes (HRS);
- (3) Clarifying the "residential property units" to which this bill apply, by referring to dwelling units as defined in Section 521-8, HRS;

- (4) Replacing limitations specific to multi-unit residential structures with general language providing that this bill does not permit signs or outdoor advertising devices otherwise prohibited in the house rules or bylaws of an apartment building or condominium, or lawful provision in a contract;
- (5) Clarifying that the new statutory section in this bill does not prohibit the display of outdoor advertising devices indicating that the building or premises on which it is displayed is the residence of any individual as allowed by Section 445-112(3), HRS;
- (6) Changing the effective date to January 1, 2009; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1832, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1832, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 76-08 on H.B. No. 2486

The purpose of this bill is to ensure the preservation of our cultural heritage by requiring the submission of archival quality black and white photographs of historic buildings that are eligible for listing or are listed on the Hawaii or national register of historic places prior to:

- (1) The issuance of permits by county agencies to demolish, construct, or otherwise alter the building; or
- (2) The demolition, construction, or other alteration of state or privately owned buildings.

Your Committee on Conference has amended this bill by imposing the photographic requirement on privately owned buildings that are more than 50 years old, rather than those that are eligible for listing or are listed on the Hawaii or national register of historic places.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2486, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2486, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 77-08 on H.B. No. 2920

The purpose of this bill is to deter fraud by strengthening the laws relating to notaries and notarized documents. Specifically, this bill:

- (1) Enumerates the powers and duties of the Attorney General (AG) with regard to notaries;
- (2) Establishes criminal offenses for:
 - (A) A notary failing to verify the identity and signature of the signer of a notarized document;
 - (B) A notary failing to authenticate a document with a certification statement;
 - (C) Misrepresenting a notarized document; and
 - (D) Unauthorized practice as a notary;
- (3) Authorizes the AG to prescribe measures as necessary to prevent the fraudulent use of notarized documents;
- (4) Specifies conduct that would subject a notary to administrative fines; and
- (5) Requires notaries to keep a record of the nature of the thing to which the notarized document relates.

Your Committee on Conference has amended this bill by:

- (1) Eliminating the mandatory, minimum fines for the new offenses relating to:

- (A) A notary failing to verify the identity and signature of the signer of a notarized document;
 - (B) A notary failing to authenticate a document with a certification statement; and
 - (C) Unauthorized practice as a notary;
- (2) Eliminating from the list of conduct that would subject a notary to administrative fines, a notary's failure to:
- (A) Notify the AG of changes in occupation, residence, or employment, within 30 days of the change;
 - (B) Display signage indicating the availability of notary services to the public;
 - (C) Offer notary services, by appointment or otherwise, during all normal business hours of operation where the notary is employed; and
 - (D) Timely renew a notary public commission by failing to submit a completed renewal application, pay the renewal fee, or complete the processing and filing of a commission for renewal by the date of expiration of the notary public's commission;
- (3) Changing the effective date to January 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2920, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2920, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 78-08 on H.B. No. 1153

The purpose of this bill is to discourage the use of chemicals to illegally manufacture controlled substances by providing that:

- (1) All aircraft, vehicles, vessels, or other conveyances used or intended to be used to transport or facilitate the transport of precursor chemicals listed in section 329-61, Hawaii Revised Statutes (HRS), (listed precursor chemicals) that are used to illegally manufacture controlled substances;
- (2) All moneys, negotiable instruments, securities, and other things of value given or intended to be given to any person in exchange for listed precursor chemicals;
- (3) All proceeds traceable to such an exchange; and
- (4) All moneys, negotiable instruments, and securities used or intended to be used to facilitate the violation of section 329-65(c) or (d), HRS, exchanged in return for controlled substances,

are subject to seizure and forfeiture under chapter 712A, HRS.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that only the moneys, negotiable instruments, securities, or other things of value furnished or intended to be furnished by any person in exchange for listed precursor chemicals that facilitate a violation of section 329-65(c) or (d), HRS, are subject to seizure and forfeiture under chapter 712A, HRS; and
- (2) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1153, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1153, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 79-08 on H.B. No. 2204

The purpose of this bill is to specify that the existing law on absolute liability for damages for the discharge of a firearm does not apply to the State or counties for the use of a State or county owned firearm that is used by a law enforcement officer outside of the officer's course and scope of employment as a law enforcement officer. This bill also clarifies that its provisions are not to be construed to relieve the State and counties from any other tort liability.

This measure clarifies existing law on absolute liability for damages for the discharge of a firearm, by excepting government entities from absolute liability in certain situations. This bill exempts government from strict liability in cases based solely upon ownership of the firearm. However, this exemption does not relieve government from any other tort liability, such as negligence in the hiring, training, or retention of police officers; the continued entrustment of a firearm to an officer who the department should know is unsuitable for firearm possession; and the improper storage of firearms or other bases of tort liability.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2204, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2204, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 80-08 on H.B. No. 3002

The purpose of this bill is to establish a new offense of habitual solicitation of prostitution when the offense is committed by a person who is a habitual prostitution offender and pays, agrees to pay, or offers to pay a fee to another person to engage in sexual conduct.

Your Committee on Conference has amended this bill by changing the offense from a class C felony to a misdemeanor.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3002, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3002, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 81-08 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.

Your Committee on Conference has amended this bill by:

- (1) Making the provisions of the bill applicable to all terms of imprisonment imposed on or after the effective date of the bill; and
- (2) Changing its effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3383, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3383, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 82-08 on H.B. No. 3040

The purpose of this bill is to protect Hawaii's youth from sexual predators by strengthening Hawaii's laws against sexual predation of minors. Specifically, this measure:

- (1) Establishes a new offense to address instances of electronic enticement of children where a predator attempts to lure or solicit a minor or arrange a meeting with a minor over the Internet with intent to commit a sex offense or crime against minors;
- (2) Establishes a new offense to address a specific form of grooming conduct by child predators involving masturbation or the lewd or lascivious exposure of the predator's genitals over the computer for view by a minor;
- (3) Amends the repeat offender sentencing law to include the offense of failure to comply with covered offender registration requirements and the new offense of indecent electronic display to a child;
- (4) Amends the offense of promoting child abuse in the second degree to address instances of possession of ten or more images of any form of child pornography and the content of at least one image contains particularly violent or egregious child pornography;
- (5) Clarifies the element of electronic enticement of a child in the first degree regarding the intent to promote or facilitate the commission of another crime; and
- (6) Provides greater protection for children by adding mandatory sentencing provisions for certain serious child abuse and electronic enticement offenses.

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

- (1) Deleting provisions establishing the offense of electronic enticement of a child in the third degree;
- (2) Reducing to a misdemeanor the offense of indecent electronic display to a child;
- (3) Deleting amendments to the offense of promoting child abuse in the second degree;
- (4) Deleting amendments to the offense of promoting child abuse in the third degree;
- (5) Deleting amendments to the offense of electronic enticement of a child in the second degree;
- (6) Making numerous revisions to chapter 846E, Hawaii Revised Statutes, relating to, among other things, the registration of sex offenders and other covered offenders and public access to registration information;
- (7) Establishing the Adam Walsh Act Compliance Working Group to help ensure Hawaii's compliance with the guidelines for sex offender registration adopted by the Department of Justice;
- (8) Changing its effective date to upon approval with part II taking effect on January 1, 2009; and
- (9) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3040, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3040, H.D. 1, S.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 83-08 on H.B. No. 2977

The purpose of this bill is to address coqui frog infestation in Hawaii by specifying that the coqui frog eradication plan shall give priority to eradicating coqui frogs.

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

- (1) Deleting the provision specifying that the coqui frog eradication plan shall give priority to eradicating coqui frogs; and
- (2) Requiring appropriate state agencies to collaborate with the counties and communities to develop and implement a systematic approach to reduce and control coqui frog infestations on public lands that are near or adjacent to communities, and to provide annual reports on the progress made in achieving this objective.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2977, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2977, H.D. 1, S.D. 1, C.D. 1.

Representatives Tsuji, Hanohano, Brower and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

Senators Menor, Inouye and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 84-08 on H.B. No. 3173

The purpose of this bill is to authorize the Department of Land and Natural Resources to remove a grounded vessel by conventional salvage methods if it cannot be removed by the owner of the vessel within 72 hours, to minimize damage to natural resources and not become a hazard to navigation.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3173, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3173, H.D. 1, S.D. 1, C.D. 1.

Representatives Ito, Karamatsu, Magaoy and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 85-08 on H.B. No. 3177

The purpose of this bill is to give the Department of Land and Natural Resources (DLNR) more resources to enforce violations within the conservation district by:

- (1) Increasing to \$20,000 the maximum fine and additional fines for wilful violations after notification of violation by DLNR; and
- (2) Authorizing the Board of Land and Natural Resources to assess fines based on damages to natural resources and any other factor deemed appropriate.

Your Committee on Conference has amended this bill by:

- (1) Changing the maximum fine and additional fine to \$15,000;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3177, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3177, H.D. 1, S.D. 2, C.D. 1.

Representatives Ito, Waters, Karamatsu and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 86-08 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.

Your Committee on Conference notes that the goal of this measure is to help Hawaii develop a "money follows the person" system that will allow individuals to have a variety of care options. Many individuals prefer to be cared for in a home-based environment rather than in a hospital or other institutional setting, but Medicaid does not cover some aspects of home care. For example, Medicaid pays for treatment but not the lodging costs associated with care homes. Your Committee on Conference hopes that changes will be made at the federal level to allow Medicaid to cover such costs.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions mandating the transfer of Medicaid funds by the Department of Human Services (DHS);
- (2) Requiring DHS to apply to the federal Centers for Medicare and Medicaid Services to allow persons who are eligible to receive Medicaid funds for nursing-home care to remain at home to receive home- and community-based long-term care; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2062, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2062, H.D. 1, S.D. 2, C.D. 1.

Representatives Shimabukuro, Green, M. Oshiro, Mizuno and Ward.
Managers on the part of the House.
(Representatives M. Oshiro and Ward were excused.)

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

Conf. Com. Rep. 87-08 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.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions mandating post-partum and interconception care under the QUEST program and its associated appropriation;
- (2) Requiring the Department of Human Services to apply to the federal Centers for Medicare and Medicaid Services to amend the state medicaid plan to extend post-partum and interconception care from eight weeks to a minimum of six months for women under the QUEST program;
- (3) Changing the effective date of the entire bill to upon approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2761, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2761, H.D. 1, S.D. 1, C.D. 1.

Representatives Shimabukuro, Green, Lee, Rhoads and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 88-08 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 an unspecified amount of funds for Task Force expenses.

Your Committee on Conference has amended this bill by:

- (1) Removing the appropriation and specifying that task force expenses be subject to the availability of funds;

- (2) Changing the effective date of the entire bill to June 29, 2008; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2772, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2772, H.D. 3, S.D. 1, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Lee, Belatti and Pine.
Managers on the part of the House.
(Representative Belatti was excused.)

Senators Taniguchi, Baker, Chun Oakland and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 89-08 on H.B. No. 2520

The purpose of this bill is to support family caregivers by establishing a working group to explore various funding mechanisms that could potentially support family caregivers.

Your Committee on Conference has amended this bill by:

- (1) Focusing the mission of the working group on exploring ways to provide wage replacement benefits to a caregiver needing to take time off from work to care for a family member with a serious health condition;
- (2) Directing the working group to review and analyze various sources of data, including previous findings of the Joint Legislative Committee on Family Caregiving, caregiver needs assessment, the contents of H.B. No. 2520, H.D. 3, and approaches taken by other states;
- (3) Directing the working group to consider drafting enabling legislation for the Regular Session of 2009 regarding wage replacement programs;
- (4) Directing the working group to inventory the eldercare policies and practices that currently exist in the workplace and the extent to which they exist;
- (5) Adding members to the working group from the Hawaii Teamsters and Allied Workers, Hawaii Family Caregiver Coalition, Kokua Council, and International Brotherhood of Electrical Workers; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2520, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2520, H.D. 3, S.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Sonson, Herkes, Lee and Ward.
Managers on the part of the House.
(Representatives Sonson and Ward were excused.)

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

Conf. Com. Rep. 90-08 on H.B. No. 2366

The purpose of this bill is to help save the lives of individuals in need of organ transplants by establishing a statewide organ donor registry (registry).

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

- (1) Mandating the Director of Health to contract for the establishment of a registry;
- (2) Specifically prohibiting the expenditure of state funds to finance the establishment of a registry;
- (3) Deleting provisions to appropriate state funds for the establishment of a registry;
- (4) Requiring the Director of Health to apply for a federal grant from the United States Department of Health and Human Services' Health Resources and Services Administration to fund improvements to a registry; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2366, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2366, S.D. 1, C.D. 1.

Representatives Green, Mizuno, Belatti and Ward.
Managers on the part of the House.
(Representative Belatti was excused.)

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

Conf. Com. Rep. 91-08 on H.B. No. 2372

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

- (1) From the time share law, the offer or sale, in Hawaii, 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) From certain provisions of the time share law, the offer or sale by a developer, in Hawaii, of a time share interest in a time share plan located outside of Hawaii, but within the United States, to an individual who currently owns a time share interest that was purchased from the developer, or the developer's affiliates, provided that certain conditions are met.

Upon further consideration, your Committee on Conference has amended this measure by, among other things:

- (1) Allowing, in lieu of explicit exemptions, the Director of Commerce and Consumer Affairs (Director) to issue a limited permit:
 - (A) Permitting the offer or sale by a developer, in Hawaii, 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; or
 - (B) Permitting the offer or sale by a developer, in Hawaii, of a time share interest in a time share plan located outside of Hawaii, but within the United States, to an individual who currently owns a time share interest that was purchased from that developer, or that developer's affiliate, provided that certain conditions are met;
- (2) Expanding the disclosure statement required to be provided in a contract for purchase to include additional information;
- (3) In lieu of the notice requirements for out-of-state time share plans, requiring:
 - (A) A developer offering a time share plan through a limited permit to file an application with the Director, along with payment of a one-time fee of \$1,000 per time share plan; and
 - (B) The Director, within ten days of receipt of the completed application and fee, to issue a limited permit to the developer reflecting that the filing has been accepted and that the offering of the time share plan is permitted;
- (4) Establishing a renewal process for the limited permits;
- (5) Making this measure effective upon its approval; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2372, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2372, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Herkes, Tokioka, Manahan and Marumoto.
Managers on the part of the House.
(Representatives Herkes and Marumoto were excused.)

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

Conf. Com. Rep. 92-08 on H.B. No. 2272

The purpose of this bill is to assist programs that employ persons with disabilities by:

- (1) Providing a civil service exemption for contracts with qualified community rehabilitation programs for building, custodial, and grounds maintenance services lasting no longer than a year, and costing no more than \$1,000,000; and

- (2) Requiring the Department of Human Resources Development to report annually to the Legislature on qualified community rehabilitation programs expenditures and related activities.

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. However, contracts with these organizations often exceed the \$750,000 limit on contracts that are exempt from Hawaii's Civil Service Law.

As these qualified community rehabilitation programs represent a very small and limited number of agencies in Hawaii, raising the exemption limit for these contracts seems reasonable. However, your Committee on Conference believes that raising the cost limit to \$1,000,000 is a bit high and that \$850,000 is a more acceptable compromise.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Changing the exemption from contracts that do not exceed \$1,000,000 to contracts that do not exceed \$850,000; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2272, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2272, H.D. 2, S.D. 2, C.D. 1.

Representatives Sonson, Har, Souki and Pine.
Managers on the part of the House.
(Representative Souki was excused.)

Senators Chun Oakland, Taniguchi, Baker and Hemmings.
Managers on the part of the Senate.

Conf. Com. Rep. 93-08 on H.B. No. 2386

The purpose of this bill is to ensure efficiency and fairness in the workers' compensation claims and dispute processes for temporary total disability (TTD) by:

- (1) Requiring an employer to pay 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 the continuation of TTD benefits 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 review of the case file and position papers submitted by the parties, to issue a decision as to 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;
- (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; and
- (7) Establishing a working group to address the concerns of this measure and report its recommendations to the Legislature prior to the 2009 Regular Session.

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.

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

- (1) Specifying that a minimum weekly benefit restriction applies to the weekly benefit received where a work injury causes TTD;
- (2) Stipulating that if the employee's average weekly wages were less than the maximum weekly benefit rate, the injured employee would be compensated at a rate of one hundred percent of the employee's average weekly wage;

- (3) Clarifying that these benefits are intended for employees claiming TTD and not permanent disability;
- (4) Clarifying that these benefits are to be paid by an employer where a work injury causes TTD and payment of compensation due does not begin within thirty days of the date of injury;
- (5) Specifying that the working group address and make recommendations to resolve any concerns raised by this Act, rather than in this Act, since no concerns were raised in the Act itself;
- (6) Adding language to clarify that those getting TTD benefits after the effective date of this Act also qualify for these benefits;
- (7) Clarifying the effective date so that the task force becomes effective upon approval while the provisions amending the disability law only become effective if the task force fails to reach a consensus in resolving this matter.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2386, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2386, S.D. 2, C.D. 1.

Representatives Sonson, M. Oshiro and McKelvey.
Managers on the part of the House.

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

Conf. Com. Rep. 94-08 on H.B. No. 2388

The purpose of this bill is to protect the health and welfare of injured workers by:

- (1) Ensuring that injured employees receive uninterrupted medical care, even when disputes arise over a treatment plan or whether treatment should be continued; and
- (2) Creating a temporary working group to consider the issues raised by this bill.

Although proper medical treatment is the best method of returning an employee to gainful employment in a timely and efficient manner, the adversarial nature of the workers' compensation system often makes medical treatment a point of contention between the employee and employer. Your Committee on Conference finds that ensuring that medical treatment of an employee is continued until a decision is rendered by the Director of Labor and Industrial Relations on the appropriateness of the treatment, is in the best interest of both the employee and employer.

Your Committee on Conference has amended this bill by:

- (1) Deleting language creating the temporary working group;
- (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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2388, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2388, H.D. 1, S.D. 2, C.D. 1.

Representatives Sonson, M. Oshiro, McKelvey and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 95-08 on H.B. No. 3331

The purpose of this bill is to clarify dispute resolution procedures relating to the interpretation or enforcement of a condominium association's declaration, bylaws, house rules, or certain other matters. Among other things, this bill:

- (1) Clarifies the types of disputes that are subject to mediation;
- (2) Establishes notification requirements for mediations;
- (3) Allows the parties to a failed mediation to pursue arbitration no sooner than 30 days from the termination of mediation; and

- (4) Expands the availability of administrative hearings for failed mediations by including this option in the newer condominium law under Chapter 514B, Hawaii Revised Statutes (HRS).

Your Committee on Conference has amended this bill by:

- (1) Deleting the mediation notification requirements established by this measure;
- (2) Clarifying that the option to file for arbitration or an administrative hearing applies to parties to a proposed or terminated mediation, including instances where a party refuses to participate in mediation;
- (3) Specifying how the termination date of mediations is to be determined for purposes of the time limitations for parties to file for arbitration or an administrative hearing;
- (4) Restoring the statutory provisions in Chapter 514B, HRS:
 - (A) Enumerating the types of disputes exempt from mandatory mediation; and
 - (B) Providing that if mediation is not completed within two months from commencement, no further mediation is required unless agreed to by the parties;
- (5) Requiring the hearings officer to hear any matter identified in the mediation request in instances where no mediation has occurred prior to the hearing;
- (6) Inserting a savings clause;
- (7) Making this bill effective on the date of its approval, with a sunset date of June 30, 2009; and
- (8) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3331, H.D. 2, S.D. 2, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3331, H.D. 2, S.D. 2, C.D. 2.

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

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

Conf. Com. Rep. 96-08 on H.B. No. 2519

The purpose of this bill is to ensure access to health care in rural, medically underserved areas of the state by, among other things:

- (1) Requiring the Legislative Reference Bureau (LRB) to research the actions, programs, or approaches other jurisdictions have taken to address physician and dentist shortages, including student loan repayment and stipend programs;
- (2) Directing LRB to report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2009; and
- (3) Creating a pilot project to grant various tax and other benefits for seven years--similar to those provided within enterprise zones under the Department of Business, Economic Development, and Tourism (DBEDT)--to physicians and dentists who agree to work for seven consecutive years within certain areas of the state that are medically underserved or where a health professional shortage exists.

Your Committee on Conference has amended this bill by replacing its contents with provisions that:

- (1) Establish the Hawaii Health Corps Program Working Group (Working Group) to be placed within DBEDT, to develop a plan to create the Hawaii Health Corps Program (HHCP) that will address physician and dentist shortages including student loan repayment and stipend programs;
- (2) Specify specific components the Working Group must incorporate into its plan in developing the HHCP; and
- (3) Require the Working Group to prepare a plan to be fully implemented by January 1, 2010, and submit the plan and any proposed legislation to the Legislature not later than 20 days prior to the convening of the Regular Session of 2009.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2519, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2519, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, Chang, M. Oshiro and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 97-08 on H.B. No. 2727

The purpose of this bill is to ensure that children diagnosed with autism spectrum disorders have access to quality health care services and treatment by establishing a temporary autism disorders spectrum benefits and coverage task force to research the problems faced by parents of children with autism and what can be done to ensure that proper benefits and services are provided through public and private resources to address the special needs of children with autism, including providing services involving applied behavioral analysis techniques.

Your Committee on Conference has amended this bill by:

- (1) Deleting the member of the task force representing the Hawaii Medical Service Association;
- (2) Deleting the two members of the task force who are parents of autistic children and appointed by the Governor;
- (3) Replacing the three members removed from the task force with three members each representing a different organization that represents children with autistic spectrum disorder, appointed by the Governor from a list submitted by the Speaker of the House of Representatives and President of the Senate;
- (4) Specifying that members of the task force will serve without compensation and will receive no reimbursement for expenses;
- (5) Providing that the task force will cease to exist on June 30, 2009;
- (6) Changing the effective date to upon approval; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2727, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2727, H.D. 2, S.D. 1, C.D. 1.

Representatives Green, Herkes, Mizuno and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 98-08 on H.B. No. 3175

The purpose of this bill is to assist the federal government in their efforts to manage fisheries in state and federal marine waters by:

- (1) Requiring the Department of Land and Natural Resources to adopt rules that effectuate federal requirements that apply to fisheries within shared state and federal jurisdictions;
- (2) Providing confidentiality provisions regarding the catch reports obtained under this provision; and
- (3) Amending a section title in the Hawaii Revised Statutes to provide more flexibility in the commercial catch reporting requirements.

Your Committee on Conference has amended this bill by:

- (1) Exempting the Papahānaumokuākea Marine National Monument from the provisions of this Act;
- (2) Deleting the amendment to the title of section 189-3, Hawaii Revised Statutes, as unnecessary; and
- (3) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3175, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3175, H.D. 1, S.D. 1, C.D. 1.

Representatives Ito, Karamatsu, Sagum and Thielen.
Managers on the part of the House.
(Representative Sagum was excused.)

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

Conf. Com. Rep. 99-08 on H.B. No. 3179

The purpose of this bill is to encourage the development of biofuel and reduce the state's dependence on fossil fuel by authorizing the Board of Land and Natural Resources to lease by direct negotiation public land to renewable energy producers who are growers or producers of organic material used primarily for the production of biofuels or other fuels.

Your Committee on Conference has amended this bill by replacing the word "organic" with "plant and animal" to describe the type of material that may be grown and produced on the leased lands so it is not limited to material that is produced or grown without using chemically formulated fertilizers, growth stimulants, antibiotics, or pesticides.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3179, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3179, S.D. 1, C.D. 1.

Representatives Ito, Morita, Tsuji, Karamatsu and Thielen.
Managers on the part of the House.

Senators Menor, Tokuda and Trimble.
Managers on the part of the Senate.

Conf. Com. Rep. 100-08 on H.B. No. 3174

The purpose of this bill is to:

- (1) Require the Department of Land and Natural Resources (DLNR) to adopt, amend, and repeal administrative rules that are equivalent to and consistent with federal fisheries regulations, under certain conditions;
- (2) Specifically allow the Board of Land and Natural Resources (BLNR) to annually declare a fishing season, total fishing quota, or individual fishing quotas, or adopt rules relating to bag, size, and gear limits consistent with federal fisheries regulations and state rules adopted under this measure if enacted by the federal government to prevent overfishing; and
- (3) Require DLNR to amend its rules when the federal fisheries agency declares that the fishery is sustainable and amends its regulations.

Your Committee on Conference has amended this bill by:

- (1) Providing that this measure does not apply to the Papahānaumokuākea Marine National Monument;
- (2) Requiring, rather than allowing, BLNR to annually declare a fishing season or fishing quotas, or adopt rules relating to bag, size, and gear limits consistent with federal fisheries regulations and state rules adopted under this measure;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3174, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3174, H.D. 1, S.D. 1, C.D. 1.

Representatives Waters, Ito, Karamatsu and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 101-08 on S.B. No. 2977

The purpose of this measure is to assist the child support enforcement agency to implement federally mandated requirements and streamline the child enforcement process in the State.

Specifically, this measure:

- (1) Clarifies the requirement for notice to custodial parents regarding state income tax refund setoffs;

- (2) Creates an assistant administrator position for policy and planning;
- (3) With respect to the Child Enforcement Agency's review of support orders upon which a proposed order to modify child support is based, refers to the Agency's "review" rather than "periodic review";
- (4) Enables the child support enforcement agency to:
 - (A) Request an administrative hearing; and
 - (B) Sign proposed administrative orders when no request for an administrative hearing is received; and
- (5) Transfer two full-time equivalent positions performing similar functions from the County of Kauai to the Department of the Attorney General.

Your Committee on Conference has amended this measure by:

- (1) Deleting reference to "(FTE)", "full-time", and "equivalent" in regards to the temporary civil service positions, on the recommendation of the Attorney General; and
- (2) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2977, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2977, S.D. 1, H.D. 2, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Rhoads, Belatti and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 102-08 on S.B. No. 2840

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism to establish and update biennially a self-sufficiency standard.

Your Committee has amended this measure by:

- (1) Adopting the Senate Bill No. 2840, House Draft 1 version, which places into Hawaii Revised Statutes (HRS) section 201-3, the requirement that the Department of Business, Economic Development, and Tourism (DBEDT) submit reports to the Legislature beginning with the Regular Session of 2009, and every odd-numbered year thereafter;
- (2) Changing the measure's effective date to July 1, 2008;
- (3) Removing the appropriation section;
- (4) Placing the section requiring DBEDT to make recommendations to the Legislature regarding the utilization of federal funding for establishing and updating the self-sufficiency standard into the amendment made to HRS section 201-3, and deleting the language that requires DBEDT to advise the Legislature periodically on the same subject, and the language that referenced Temporary Assistance for Needy Families and Workforce Investment Act funds as potential federal funding sources; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2840, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2840, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamashita, Shimabukuro, Rhoads, Wakai and Pine.
Managers on the part of the House.
(Representative Pine was excused.)

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

Conf. Com. Rep. 103-08 on S.B. No. 2879

The purpose of this bill is to establish a power of attorney for special education.

This measure also establishes the process to appoint an educational representative for an adult student who lacks capacity and clarifies the authority of a guardian of an adult student.

Your Committee on Conference finds that, in 2007, the Department of Education convened the Chapter 56/60 Community Workgroup to assist the Department in adopting administrative rules that would be in alignment with the reauthorization of the Individuals with Disabilities Act of 2004 (IDEA). Necessary changes of the administrative rules were to be considered for chapter 56, Hawaii Administrative Rules, with the new rules to be adopted as a new chapter 60, Hawaii Administrative Rules. The Community Workgroup considered input from interested parties and made several recommendations to the Department. This bill addresses the requirement under the IDEA that the states establish procedures for the appointment of a representative for a student who is incapable of making decisions or providing informed consent on education issues by establishing a power of attorney for special education, establishing the process for appointment of an educational representative for an adult student who lacks capacity, and clarifying the authority of a guardian of an adult student. Your Committee on Conference determines that this bill will satisfy the requirements under the IDEA, while providing a less expensive and less labor intensive alternative to guardianships currently available for handling such matters.

Upon further review, your Committee on Conference has amended this bill by changing its effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2879, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2879, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, B. Oshiro, Lee, Berg and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 104-08 on S.B. No. 2334

The purpose of this bill is to repeal the exemption from civil service of the first and second deputy sheriff positions within the Sheriffs Division of the Department of Public Safety and to require the Sheriff and Deputy Director for Law Enforcement who are employed on or after July 1, 2050, to be graduates of a law enforcement academy.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2008; and
- (2) Exempting persons hired before July 1, 2008, from the requirement of graduation from a law enforcement academy; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2334, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2334, S.D. 2, H.D. 1, C.D. 1.

Representatives Evans, Sonson, Har and Finnegan.
Managers on the part of the House.
(Representative Sonson was excused.)

Senators Espero, Taniguchi, Nishihara and Whalen.
Managers on the part of the Senate.

Conf. Com. Rep. 105-08 on S.B. No. 2055

The purpose of this measure is to require the Department of Commerce and Consumer Affairs to establish policies and procedures for child custody evaluators, and administer certification procedures.

This measure also establishes licensing requirements and minimal education and experience requirements and requires continuing training for child custody evaluators.

Your Committee has amended this measure by:

- (1) Modifying its contents to amend Hawaii Revised Statutes section 571-46(4) to define court-appointed investigators or professional personnel attached to or assisting the court in its child custody determinations as "child custody evaluators", and require the Judiciary to define the requirements, standards of practice, ethics, policies, and procedures required of court-appointed child custody evaluators in the performance of their duties;
- (2) Adding a section that requires the Judiciary to submit a report to the Legislature by no later than twenty days prior to the convening of the Regular Session of 2009, relating its findings, recommendations, and resource requirements to implement certain aspects of child custody evaluator appointment, standards enforcement, monitoring, and administrative appeal process;

- (3) Adding a section that calls upon the Judiciary to convene and obtain assistance from a child custody advisory task force to include representatives from listed organizations to define the employment requirements and standards of child custody evaluators;
- (4) Changing its effective date to "upon approval"; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2055, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2055, S.D. 2, H.D. 2, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Rhoads, Belatti and Ward.
Managers on the part of the House.
(Representatives Belatti and Ward were excused.)

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

Conf. Com. Rep. 106-08 on S.B. No. 3227

The purpose of this bill is to:

- (1) Expand the authority of the Aloha Tower Development Corporation to assist in the development of the statewide harbors modernization plan by establishing the Harbors Modernization Group;
- (2) Authorizes the Department of Transportation to issue revenue bonds to finance the harbor improvements; and
- (3) Appropriates unspecified moneys for the harbor improvement.

Your Committee on Conference has amended this bill by;

- (1) Appropriating or authorizing, as the case may be, \$20,000,000 from harbor revenue bonds for the capital improvement projects at Hana harbor, Maui; and
- (2) Making technical amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3227, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3227, S.D. 2, H.D. 1, C.D. 1.

Representatives Souki, Ito, M. Oshiro, Karamatsu, Nishimoto and Thielen.
Managers on the part of the House.

Senators English, Hee, Baker, Gabbard, Kokubun and Trimble.
Managers on the part of the Senate.
(Senators Hee and Kokubun were excused.)

Conf. Com. Rep. 107-08 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 County Workforce Investment Board, and the One-Stop Career Center.

Your Committee on Conference notes that Maui County has suffered enormous unemployment stemming from the closure of Molokai Ranch, which was not factored into this measure.

Your Committee on Conference has amended this measure:

- (1) By adding an appropriation of \$1,508,487 to the Maui County Workforce Investment Board, which shall work in collaboration with the County of Maui, particularly with regards to the unemployment stemming from the Molokai Ranch closing. Your Committee on Conference notes that this is the same sum as appropriated by Act 123, Session Laws of Hawaii 2007, to Maui;
- (2) By adding an appropriation of \$2,000,000 to be allocated to the Workforce Development Division of the Department of Labor and Industrial Relations to assist workers dislocated by company closures and lay-offs, assist employers in finding suitable workers, and improve the delivery of services as allowed under the Wagner-Peyser Act;
- (3) Inserting a lapse date for both appropriations of June 30, 2010; and

- (4) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2876, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2876, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 108-08 on S.B. No. 2293

The purpose of this bill is to increase the number of affordable housing units in Hawaii by exempting new multi-family housing condominium developments of seventy-five units or more per acre from certain state and county affordable housing requirements.

Specifically, this bill adds a new section to chapter 201H, Hawaii Revised Statutes, that exempts new multi-family rental or for-sale housing developments of seventy-five units or more per acre on privately owned lands and privately financed without federal, state, or county financing assistance or subsidies from the Hawaii Housing Finance and Development Corporation's shared appreciation equity program and applies transfer restrictions under sections 201H-47 and 201-49, Hawaii Revised Statutes, and occupancy requirements for a term of three, rather than ten years.

Affordable housing for Hawaii residents and the local workforce are in a critical short supply. Your Committee on Conference finds that private landowners and developers need incentives in order to meet the demand for and increase the supply of affordable housing. Eliminating or reducing certain state and county requirements, including the equity sharing program, and occupancy and transfer period, for new multi-family housing developments on privately owned land using private financing will encourage the private sector to build affordable workforce housing.

Your Committee on Conference has amended this bill by:

- (1) Deleting language that refers to rental multi-family condominium developments and reducing its scope to apply to only new multi-family for-sale housing condominium developments of seventy-five units or more per acre;
- (2) Clarifying that the reference to federal, state, or county financing assistance or subsidies includes tax credits;
- (3) Adding language that triggers the three-year occupancy requirement to begin upon the sale of each unit in the multi-family for-sale housing condominium development;
- (4) Requiring that in order for the exemptions of this bill to apply to a privately financed new multi-family for-sale housing condominium development on privately owned land, the primary purpose of the construction of the housing development shall be to increase the number of affordable housing units in the State, and not for the purpose of satisfying any affordable housing or reserved housing requirement required by law or ordinance;
- (5) Adding definitions for "affordable housing" and "reserved housing"; and
- (6) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2293, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2293, S.D. 1, H.D. 1, C.D. 1.

Representatives Shimabukuro, Ito, Rhoads and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 109-08 on S.B. No. 2961

The purpose of this measure is to appropriate funds to the Department of the Attorney General and to the Department of Transportation to satisfy claims against the State, its officers, or its employees.

Your Committee finds that this measure is necessary to satisfy various claims against the State, its officers, or its employees.

Your Committee on Conference has amended this measure on the recommendation of the State Attorney General by adding recent claims that were in progress at the time of the H.D. 1, and have since been resolved.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2961, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2961, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 110-08 on S.B. No. 2652

The purpose of this measure is to provide for periodic wage adjustments for substitute teachers of the Department of Education that are comparable to the wage adjustments negotiated for teachers in bargaining unit 5.

Your Committee on Conference finds that substitute teachers play an important role in supplementing our teacher workforce in the public school system. However, public school substitute teachers have been at odds with the Department of Education with continued litigation pending in the appellate court. In an attempt to address the pending litigation and related issues, the Legislature passed Act 70, Session Laws of Hawaii 2005, which provided an interim pay rate of no less than \$119.80 per day pending resolution of the litigation. Additionally, the Legislature increased the interim pay rate to no less than \$125 per day, pursuant to Act 263, Session Laws of Hawaii 2006. In 2007, teachers who are part of bargaining unit 5 received a pay increase; however, no corresponding increase was afforded to substitute teachers. This bill reflects the Legislature's intent that substitute teachers receive wage adjustments that are comparable across the board with wage adjustments negotiated for bargaining unit 5 teachers without the need to return to the Legislature for relief each session.

Upon further review, your Committee on Conference has amended this bill by specifying that the wage adjustments, which shall be comparable to the across-the-board wage adjustments for teachers that are negotiated for bargaining unit 5, rather than the adjustment of hours, benefits, and other terms and conditions of employment for substitute teachers, shall be subject to legislative approval, pursuant to section 89C-5, Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2652, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2652, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Sonson, M. Oshiro and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Gabbard, Baker, Nishihara, Taniguchi and Slom.
Managers on the part of the Senate.
(Senators Baker and Taniguchi were excused.)

Conf. Com. Rep. 111-08 on S.B. No. 2668

The purpose of this bill is to make clarifying changes to the composition, duties, and activities of the Board of Regents and the Candidate Advisory Council for the Board of Regents of the University of Hawaii.

Specifically, this bill:

- (1) Requires that candidates for the Board of Regents reside in the geographic areas that they represent;
- (2) Requires the Governor to notify in writing the Candidate Advisory Council for the Board of Regents of vacancies on the Board in a timely manner;
- (3) Requires the submission of candidates for the Board of Regents within sixty days following notification from the Governor of a vacancy due to resignation, death, or removal by the Governor;
- (4) Requires the Council to submit the names of candidates for the Board of Regents to the Governor; and
- (5) Makes confidential all information required by the Regents Candidate Advisory Council regarding candidates for the Board of Regents.

Your Committee on Conference finds that the Candidate Advisory Council for the Board of Regents of the University of Hawaii was established pursuant to Act 56, Session Laws of Hawaii 2007, in response to the people's desire to change the prior nomination process. The Candidate Advisory Council has been operating pursuant to Act 56, and the Governor has submitted the names of appointees for some of the vacant seats on the Board of Regents to the Senate for confirmation. After several months of operation, the Candidate Advisory Council has discovered that certain provisions relating to its existence and operations must be modified to improve operations.

This bill addresses some of the Council's concerns by, among other things, ensuring the Council receives timely written notification from the Governor when a vacancy occurs on the Board of Regents and ensuring the confidentiality of information regarding applicants. These provisions, in addition to other necessary changes to improve the process, will assist the Candidate Advisory Council in dutifully executing its responsibilities.

Upon further review, your Committee on Conference has amended this bill by clarifying that the Regents Candidate Advisory Council shall be deemed to have fulfilled its obligation to submit names to the Governor upon the presentation of names of the minimum number of candidates required to be presented for each seat or seats on the Board of Regents.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2668, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2668, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, M. Oshiro, Bertram, Takamine and Finnegan.
Managers on the part of the House.
(Representative Bertram was excused.)

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

Conf. Com. Rep. 112-08 on S.B. No. 2933

The purpose of this measure is to:

- (1) Prohibit contracts and other binding agreements from precluding the erecting and use of clotheslines on the premises of single-family residential dwellings;
- (2) Provide that rules on the placement of clotheslines shall not be unduly or unreasonably restrictive;
- (3) Include photovoltaic cell applications and clotheslines in the definition of "solar energy device"; and
- (4) Specify that skylights, windows, or clotheslines are not included as renewable energy technology systems or solar or wind energy systems under the renewable energy technologies income tax credit program, pursuant to section 235-12.5, Hawaii Revised Statutes.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2933, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2933, S.D. 2, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 113-08 on S.B. No. 3076

The purpose of this bill is to authorize the Department of Health to create up to two permanent or temporary exempt epidemiologist positions. This bill also requires the Department of Health to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2009 on the status of creating and filling the positions.

Upon further consideration, your Committee on Conference has made the following amendments to S.B. No. 3076, H.D. 1:

- (1) Expanded the authorization for the creation of epidemiologist positions from two to ten;
- (2) Removed the language requiring the Department of Health to report to the Legislature; and
- (3) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3076, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3076, H.D. 1, C.D. 1.

Representatives Green, Mizuno, Awana and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 114-08 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.

Your Committee upon further consideration has made the following amendments to S.B. No. 2768, S.D. 2, H.D. 1:

- (1) Changed the effective to July 1, 2008; and
- (2) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2768, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2768, S.D. 2, H.D. 1, C.D. 1.

Representatives Green, M. Oshiro, Nakasone and Ward.
Managers on the part of the House.
(Representative Nakasone was excused.)

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

Conf. Com. Rep. 115-08 on S.B. No. 2826

The purpose of this measure is to coordinate the responsibility of developing and maintaining a training and development program for state and county procurement officers between the Department of Human Resources Development and the State Procurement Office.

This measure also makes initial training mandatory for state procurement officers. In addition, the State Procurement Office may determine if subsequent training of a state procurement officer is necessary. However, attendance at training is elective for county procurement officers.

Your Committee on Conference finds that procurement training is an important and vital tool for ensuring that proper procurement practices are achieved in expenditures of public moneys. Your Committee on Conference further finds that the responsibility for conducting procurement training is more appropriately situated with the State Procurement Office, with the assistance of the Department of Human Resources Development.

Your Committee on Conference has amended this measure by:

- (1) Requiring all state procurement officers to attend a fundamental training and development session within sixty days of being appointed or named as procurement officer;
- (2) Requiring state procurement officers who are determined by the state procurement office to need further training and development to attend follow-up training and development sessions:
 - (A) Based upon the history of procurement compliance to this chapter by the agency to which the particular procurement officer is attached; or
 - (B) Based upon any other need for training and development;
- (3) Making attendance by all other state procurement officers at the follow-up sessions and by county procurement officials at the fundamental sessions and all follow-up sessions optional, though encouraged; and
- (4) Changing the effective date to January 1, 2009, on the recommendation of the State Procurement Office.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2826, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2826, S.D. 2, H.D. 1, C.D. 1.

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

Senators Nishihara, Tsutsui, Kim and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 116-08 on S.B. No. 2824

The purpose of this measure is to:

- (1) Require the Procurement Policy Board to 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 perform audits based on patterns of noncompliance or indications of circumventing the law; and
- (2) Require 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.

Your Committee on Conference finds that only one audit of the State's procurement practices has been performed since the Public Procurement Code was codified in chapter 103D, Hawaii Revised Statutes, in 1993. That audit occurred in 1995, and your Committee on Conference believes that government purchasing practices are due for review. In addition to uncovering deficiencies and improprieties in state procurement, an audit would provide an analysis of how effectively the Code is being implemented and enforced.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section regarding mandatory annual compliance audits by the State Procurement Policy Board;
- (2) Making the Comptroller and the county employee member of the State Procurement Policy Board an ex-officio nonvoting member;
- (3) Deleting the appropriation for the Auditor to contract with a private entity to conduct a compliance, performance, and management audit of the State Procurement Office and the purchasing agencies of the State;
- (4) Clarifying that the two mandatory audits by the State Procurement Policy board shall be of those agencies based upon a pattern of noncompliance or otherwise indicate an intentional circumvention of the Hawaii Public Procurement Code; and other audits as randomly selected;
- (5) Changing the effective date to January 1, 2009; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2824, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2824, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamashita, Magaoay, Tokioka, Wakai and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 117-08 on S.B. No. 3009

The purpose of this bill is to effectively regulate the money transmitter industry by amending the Money Transmitters Act under chapter 489D, Hawaii Revised Statutes.

Specifically, this bill amends 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.

Your Committee on Conference finds that money transmitters sell payment instruments, such as money orders, or receive money for transmission to other locations within the United States or overseas. There are currently over forty licensed money transmitters in the State.

Your Committee on Conference has amended this bill to change the effective date from July 1, 2020, to January 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3009, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3009, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, B. Oshiro, M. Oshiro, Manahan and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 118-08 on S.B. No. 3102

The purpose of this measure is to provide for greater protection of lands that have value as a resource to the State by allowing public and private moneys to be deposited into the Land Conservation Fund and used for the acquisition of land having value as a resource to the State.

Your Committee on Conference has amended this measure by:

- (1) Adding language to sections 173A-5 and 173A-9, Hawaii Revised Statutes, allowing for moneys from the Land Conservation Fund to be used for the costs of operating, maintaining, and managing lands acquired by way of the Land Conservation Fund, provided that the costs do not exceed five per cent of annual fund revenues of the previous year;
- (2) Authorizing the Board of Land and Natural Resources to make grants to government and non-profit land conservation organizations for the operation, maintenance, and management of lands acquired under chapter 173A, Hawaii Revised Statutes, to protect, maintain or restore at risk resources on the lands or provide greater public access and enjoyment of the lands; and
- (3) Amending the effective date of the measure to be upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3102, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3102, S.D. 2, H.D. 1, C.D. 1.

Representatives Ito, Karamatsu, Sagum and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 119-08 on S.B. No. 2365

The purpose of this bill is to:

- (1) Authorize the Department of Transportation to establish and collect rental motor vehicle customer facility charges;
- (2) Create a Rental Motor Vehicle Customer Facility Charge Special Fund;
- (3) Establish a \$1 daily charge on rentals at state airports; and
- (4) Appropriate funds.

Your Committee on Conference has amended this measure by:

- (1) Dividing the measure into parts;
- (2) In part I:
 - (A) Expanding the findings and purpose section;
 - (B) Adding conceptual plans and plans in the scope of expenditures authorized from the Rental Motor Vehicle Customer Facility Charge Special Fund;
 - (C) Clarifying that the Director of Transportation shall not approve expenditure of any moneys except for planning and design purposes to improve or construct rental motor car vehicle customer facilities and related services located at an airport until a concession bid for rental motor vehicle concessions located at the public airport as of July 1, 2008, is first advertised, bid upon, and awarded by the Department of Transportation;
 - (D) Exempting the Special Fund from transfers from special funds for central service expenses, section 36-27, Hawaii Revised Statutes;
 - (E) Increasing the appropriation out of the Rental Motor Vehicle Customer Facility Charge Special Fund from \$7,000,000 to \$10,000,000 for fiscal year 2008-2009;
 - (F) Adding a new section on annual reporting requirements of the Department of Transportation to the Legislature on expenditures pursuant to the Act; and
- (3) In part II, incorporating H.B. No. 3196, H.D.1, S.D. 2, by:
 - (A) Extending until August 31, 2011, the \$3 a day rate of the rental motor vehicle surcharge tax; and

- (B) Requiring the Department of Transportation to report additional revenue-generating initiatives to the Legislature and
- (4) Changing the effective date from July 1, 2020, to July 1, 2008.

With respect to that portion of this bill relating to the rental motor vehicle surcharge tax (surcharge tax), pursuant to section 251-2, Hawaii Revised Statutes, your Committee on Conference's intent is that the surcharge tax up to and including August 31, 2011, should not be increased to an amount higher than \$3 a day unless the Legislature:

- (1) Fairly considers how to equitably raise revenues from all users of the highways, and from other sources; and
- (2) In its considerations, starts from a base of \$2 a day for rental motor vehicles, since the present increase from \$2 a day to \$3 a day is only temporary and directed only to rental motor vehicles.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2365, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2365, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Yamashita and M. Oshiro.
Managers on the part of the House.

Senators English, Baker, Menor, Tsutsui and Trimble.
Managers on the part of the Senate.
(Senators Tsutsui and Trimble were excused.)

Conf. Com. Rep. 120-08 on S.B. No. 2663

The purpose of this bill is to make changes to the membership, nomination process, and responsibilities of and to provide necessary funding for increased information accessibility for the Hawaii Teacher Standards Board.

Your Committee on Conference finds that the Hawaii Teacher Standards Board is responsible for licensing and regulating teachers and approving teacher preparation programs in the State. Several issues relating to the Hawaii Teacher Standards Board and its operations require consideration and modification. Over the past year, the nomination process for membership on the Hawaii Teachers Standards Board has been called into question. The process must provide for adequate and appropriate representation, which requires changes to the existing law. Additionally, the Hawaii Teacher Standards Board has been working toward improving the quality and quantity of data accessible to parties in order to increase teacher quality. An electronic licensing system that is capable of interfacing with public and private educational institutions in Hawaii, as well as the Department of Education, is being developed. Increased accountability by the Hawaii Teacher Standards Board is also necessary for the improvement and maintenance of teacher quality in the State.

This bill addresses the foregoing issues by specifying that recommendations for nominations to the Hawaii Teacher Standards Board should be provided to the Governor by professional organizations and unions that are representative of teachers and school administrators. Additionally, this bill authorizes the Hawaii Teacher Standards Board to coordinate an effort to support data or information management efforts of the Board and increases reporting requirements to include income and expenditure information and annual summary reports by the Board to the Legislature. This bill will help to improve the operations of the Hawaii Teacher Standards Board and, ultimately, the teacher workforce in the State.

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

- (1) Specifying that the definition for "teacher regularly engaged in teaching" shall apply to the entire section 302A-801, Hawaii Revised Statutes;
- (2) Increasing the membership of the Hawaii Teacher Standards Board to fourteen members and requiring that at least seven of the members shall be teachers regularly engaged in teaching, including at least one teacher who has completed a nontraditional teacher education program;
- (3) Requiring information to be provided by participating institutions or agencies, including, among other things, state-approved teacher education program completion information;
- (4) Removing the appropriation for the Hawaii Teacher Standards Board to coordinate an effort to create a network incorporating the teacher education institutions and the Department of Education to support the free interchange of information valuable to all participating organizations; and
- (5) Changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2663, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2663, S.D. 2, H.D. 2, C.D. 1.

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

Senators Sakamoto, Baker, Nishihara, Gabbard and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 121-08 on S.B. No. 2004

The purpose of this measure is to make amendments to the administrative hearings process relating to the education of children with disabilities.

Specifically, this measure:

- (1) Extends the deadline within which to file a request for a due process hearing relating to the education of a child with a disability from ninety days to one year when the request is for reimbursement of costs of a child's unilateral special education placement;
- (2) Requires the Department of Education 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) Requires the Department of Education to exercise oversight and monitoring of any child who has undergone unilateral placement in special education.

Your Committee on Conference finds that, pursuant to state law and the Individuals with Disabilities Education Act, it has been a continual challenge for the Departments of Education, Human Services, and Health to provide Hawaii's children with disability services that meet their special education needs. Issues surrounding these special needs students must be properly handled, and every possible path to ensure their needs are provided for should be developed. Currently, feedback from parents of children with disabilities indicates that there is confusion and frustration with the current ninety-day statute of limitations period for requesting a hearing regarding a unilateral special education placement, where the reimbursement of costs is an issue. This bill addresses the administrative hearing process that determines a student's identification, evaluation, program, or placement due to their disability. A balance is required in providing for the timely resolution of these issues, while also recognizing the difficulties of parents in these situations, including the difficulty in retaining an attorney for purposes of the administrative hearing.

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

- (1) Changing from one year to one hundred eighty days the time provided to file a request a hearing regarding the reimbursement of costs for a child's unilateral special education placement, where the request is for reimbursement of the costs of the placement;
- (2) Including language to ensure that if any provision contained therein is held invalid, such invalidity will not affect any of its other provisions that can be given effect without the invalid provision or application; and
- (3) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2004, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2004, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Shimabukuro, B. Oshiro, Rhoads and Finnegan.
Managers on the part of the House.
(Representative Takumi was excused.)

Senators Sakamoto, Chun Oakland, Tsutsui, Nishihara and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 122-08 on S.B. No. 2041

The purpose of this measure is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care by appropriating funds for the State's portion of the federal disproportionate share hospital allowance.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2008; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2041, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2041, H.D. 1, C.D. 1.

Representatives Green, Shimabukuro, M. Oshiro and Ward.

Managers on the part of the House.
(Representative Shimabukuro was excused.)

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

Conf. Com. Rep. 123-08 on S.B. No. 1526

The purpose of this measure is to specify that effective July 1, 2008, the salary of the Administrative Director of the Courts shall be identical to that of the Administrative Director of the State, and the salary of the Deputy Administrative Director of the Courts shall be equal to ninety five per cent of the salary of the Administrative Director of the Courts.

Your Committee on Conference finds that due to inadvertent statutory errors that are not resolvable in a timely manner, the unitary salary commission does not have the authority, as intended, to set the salaries of the Administrative Director of the Courts and the Deputy Administrative Director. In lieu thereof, this measure provides a statutory remedy.

Your Committee on Conference has amended this measure by changing the salary of the Administrative Director of the Courts to a range of \$120,000 to \$150,000, and the salary of the Deputy Administrative Director to a range of \$115,000 to \$140,000, as determined by the Chief Justice.

It is the intent of your Committee on Conference that a newly appointed Administrative Director or Deputy Administrative Director should start at the lowest salary within the range.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1526, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1526, S.D. 2, H.D. 3, C.D. 1.

Representatives Waters, Sonson, M. Oshiro and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 124-08 on S.B. No. 2218

The purpose of this measure is to require electronic monitoring of persons convicted of violating a domestic abuse temporary restraining order or protective order.

Your Committee on Conference finds that electronic monitoring of violators of temporary restraining orders and protective orders provides an additional measure of protection by alerting a victim if the batterer is within the defined geographic exclusion zone so that the victim may find a safe location.

The intent of your Committee on Conference is to enhance the protections of victims of domestic abuse.

Your Committee on Conference has amended this measure by:

- (1) Clarifying, on the recommendation of the Attorney General, the procedures for the court to:
 - (A) Prohibit the defendant from contacting the protected party by establishing court-defined geographic exclusionary zones, and to order the defendant to wear a global positioning satellite tracking device; and
 - (B) Revoke the probation of the defendant if the court finds that the defendant has entered a geographic exclusionary zone;
- (2) Adding that the court may order the defendant to pay the monthly costs or portion thereof for the electronic monitoring, on the recommendation of the Attorney General, based upon the defendant's ability to pay the monthly costs or a portion thereof;
- (3) Deleting the appropriation; and
- (4) Changing the effective date to July 1, 2008, to be repealed on July 1, 2010.

The intent of your Committee on Conference is that the court consider that many defendants may be indigent without having the financial wherewithal to pay for the cost of a global positioning satellite tracking device. If the defendant is indigent, the court may have to seriously consider not ordering the defendant to wear the tracking device.

Your Committee on Conference believes that electronic monitoring should be a pilot program in order to revisit this measure in two years to ascertain its effectiveness in achieving the intended purpose, and to determine its financial impact on indigent defendants.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2218, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2218, S.D. 1, H.D. 2, C.D. 1.

Representatives Shimabukuro, Waters, Rhoads and Ward.
Managers on the part of the House.
(Representative Ward was excused.)

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

Conf. Com. Rep. 125-08 on S.B. No. 2262

The purpose of this measure is to extend the sunset date of the Voluntary Employees' Beneficiary Association Trust pilot program, and to make clarifying amendments to Act 245, Session Laws of Hawaii (SLH) 2005, relating to voluntary employees' beneficiary association trusts.

Your Committee on Conference finds that before the Legislature makes amendments to Act 245, SLH 2005, an actuarial and managerial audit is needed of the Hawaii Employer-Union Health Benefits Trust Fund and of the Hawaii State Teachers Association Voluntary Employees' Beneficiary Association Trust.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Deleting its contents;
- (2) Changing the sunset date of Act 245 to July 1, 2010;
- (3) Directing the State Auditor, in conjunction with the independent financial auditor retained by the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund, to conduct financial and managerial audits of the Hawaii Employer-Union Health Benefits Trust Fund; and
- (4) Based on the findings of the foregoing audit, directing the State Auditor to make findings and recommendations concerning:
 - (A) The benefit cost for each benefit plan and administrative cost for the Hawaii Employer-Union Health Benefit Trust Fund for specific plan years; and
 - (B) The Hawaii State Teachers Association Voluntary Employees' Beneficiary Association Trust for specific plan years.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2262, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2262, S.D. 1, H.D. 2, C.D. 1.

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

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

Conf. Com. Rep. 126-08 on H.B. No. 3178

The purpose of this bill is to protect Hawaii's natural resources by:

- (1) Increasing the civil penalty fine amounts for violations on and encroachments upon public lands;
- (2) Authorizing the Board of Land and Natural Resources (BLNR) to assess administrative costs incurred by the Department of Land and Natural Resources and for payment of damages for violations on and encroachments upon public lands;
- (3) Authorizing BLNR to collect additional fines for damage to or theft of natural resources; and
- (4) Exempting persons exercising native Hawaiian gathering rights and traditional cultural practices as authorized by law or the Hawaii Constitution.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon its approval; and

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3178, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3178, S.D. 2, C.D. 1.

Representatives Waters, Ito, Karamatsu and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 127-08 on H.B. No. 2438

The purpose of this bill is to increase fire safety in Hawaii by requiring that only reduced ignition propensity cigarettes be sold in the state.

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

- (1) Increasing the number of years from two to three years after which cigarettes certified by this bill must be recertified;
- (2) Increasing the certification fee a manufacturer must pay to the State Fire Council from \$250 to \$350;
- (3) Deleting the provision specifying that cigarettes sold or offered for sale that do not comply with the required performance standard are considered contraband that may be seized with or without a warrant by the Attorney General;
- (4) Specifically charging the State Fire Council with administering requirements for reduced ignition propensity cigarettes;
- (5) Changing the effective date to September 30, 2009; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2438, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2438, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, Herkes, Waters, Mizuno, Yamane and Ward.
Managers on the part of the House.
(Representative Waters was excused.)

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

Conf. Com. Rep. 128-08 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.

This bill implements the Life Settlements Model Act adopted by the National Conference of Insurance Legislators (NCOIL). Along with regulating permissible life settlement contracts, this bill 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. This bill seeks to protect life insurance consumers from these practices.

Your Committee on Conference has amended this bill by:

- (1) Replacing its entire contents with the H.D. 1 of this bill, which mainly and substantively differs from the S.D. 2 by applying the definition of STOLI originally adopted by NCOIL;
- (2) Providing for annual license renewals;
- (3) Inserting the following penalty and fee amounts:

- (A) A maximum \$10,000 civil penalty in addition to the amount of the claim for each violation of this bill's provisions;
- (B) \$75 for the issuance of a life settlement contract provider's license;
- (C) \$75 for the issuance of a life settlement contract broker's license;
- (D) \$75 per year in regulatory service fees for a regularly licensed life settlement contract provider; and
- (E) \$75 per year in regulatory service fees for a regularly licensed life settlement contract broker;
- (4) Requiring the Insurance Commissioner to report to the Legislature prior to the 2009 and 2010 Regular Sessions, regarding:
 - (A) Issues and concerns relating to the implementation and effects of this bill;
 - (B) The total number and disposition of life settlement cases investigated by the Insurance Commissioner under this bill;
 - (C) An evaluation by the Insurance Commissioner of the effectiveness of this bill in regulating life settlement contracts; and
 - (D) Any recommendations to improve the provisions of this bill;
- (5) Making this bill effective upon its approval, with a sunset date of two years from the date of approval; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 94, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 94, H.D. 1, S.D. 2, C.D. 1.

Representatives Herkes, Waters, M. Oshiro and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 129-08 on H.B. No. 2978

The purpose of this bill is to improve the state's higher education system by, among other things:

- (1) Requiring the University of Hawaii (UH) to prepare an annual incentive and performance report and plan that will assist the Legislature in appropriating up to two percent of UH's annual budget to facilitate UH's strategic plan and related state goals; and
- (2) Establishing a task force (Task Force) to develop an equitable, consistent, and responsive funding formula for the distribution of fiscal resources to the various UH campuses, with the assistance of an independent consultant.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the Task Force is to be established in UH and will assist UH in developing a budgetary system that includes a funding formula;
- (2) Specifying that the funding formula must:
 - (A) Assign different weights in recognition of the varying costs and revenues relating to educating different categories of students, including the different classifications of students, students who are enrolled in programs that address the major workforce needs of the state, and students with special support needs; and
 - (B) Include an incentive and performance component that recognizes the unique goals and missions of UH's various campuses, as well as the higher education needs of the state;
- (3) Changing the membership of the task force by:
 - (A) Removing the chief financial officer (CFO) for the UH System, or the CFO's designee, as a member and instead designating the CFO or CFO's designee as the liaison between the Task Force and the president of UH;
 - (B) Adding one member to be appointed by the President of the Senate; and
 - (C) Adding one member to be appointed by the Speaker of the House of Representatives;

- (4) Specifying that the Task Force is to select a chairperson by a majority vote of its members;
- (5) Specifying that a majority of the Task Force members constitutes a quorum to conduct business and that the concurrence of the majority of the Task Force members is necessary to validate any action of the Task Force;
- (6) Exempting the Task Force from Chapter 92, Hawaii Revised Statutes (Chapter 92), but requiring it to make a good faith effort to make its proceedings and work products accessible and available to the general public in a manner consistent with the intent of Chapter 92;
- (7) Requiring, rather than allowing, UH to hire a consultant and clarifying that the consultant is to work with the Task Force to develop the funding formula;
- (8) Stipulating that the Task Force is to provide the consultant with the data necessary to develop the funding formula;
- (9) Requiring the Task Force to first submit to the President of UH for approval, a report of its progress, and any findings and recommendations, including those of the consultant, and if approved, requiring UH to submit that report to the Legislature prior to the convening of the Regular Session of 2009;
- (10) Requiring the Task Force to include, as part of its report, a target date for the completion of a funding formula, together with any proposed legislation to establish and implement the funding formula;
- (11) Deleting the appropriation for the hiring of the consultant;
- (12) Changing its effective date to July 1, 2008; and
- (13) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference requests that UH and the task force, in its development of the funding formula, consider recognizing that as enrollment rises at one or more institutions but flattens or falls at others, adjustments should be made to base funding allocations.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2978, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2978, H.D. 1, S.D. 2, C.D. 1.

Representatives Chang, M. Oshiro, Bertram and Finnegan.
Managers on the part of the House.
(Representative Bertram was excused.)

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

Conf. Com. Rep. 130-08 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 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 consolidated or closed; and
 - (B) Recommend, based on these criteria, a list of schools to be consolidated and underused schools to be closed, subject to the review of the Legislature;

and
- (2) Directs the Board of Education to proceed with the process of consolidating or closing underused schools according to the recommendations of the Commission, if the Legislature does not disapprove of the recommendations in their entirety.

Your Committee on Conference has amended this bill by:

- (1) Changing the requirements for quorum to five members of the Commission, and requiring a majority vote of these members to validate all its actions;
- (2) Changing the termination date of the Commission to upon adjournment sine die of the 2011 regular session, rather than the 2010 regular session;
- (3) Including all schools in the Kaimuki complex, rather than just elementary schools, in the assessment of projected student enrollment on which the school facilities plan is to be based;
- (4) Requiring, in the criteria, consideration of alternative uses of the facilities, land, and property assets of schools proposed to be consolidated or closed, with priority for other educational uses, provided that consideration be given to any action necessary to effectuate an alternative use;

- (5) Requiring BOE to expeditiously implement the recommendations of the Commission, if they are not disapproved by the Legislature; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2972, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2972, H.D. 1, S.D. 2, C.D. 1.

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

Senators Sakamoto, Tsutsui, Nishihara, Gabbard and Slom.
Managers on the part of the Senate.

Conf. Com. Rep. 131-08 on H.B. No. 3386

The purpose of this bill is to:

- (1) Provide procedures in potential conflict of interest situation involving the State Attorney General in the representation of any court or judicial or legislative office of the State;
- (2) Add an exemption for the Department of Taxation (DOTAX) to hire its own attorneys for limited circumstances, on the recommendation of DOTAX; and
- (3) Add a definition of "practice of law" in section 605-14 concerning the unauthorized practice of law.

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

- (1) Deleting section 1 relating to procedures for representation in a case involving a potential conflict of interest on the part of the Department of the Attorney General, as this matter has been addressed in a separate measure already approved by both houses of the Legislature;
- (2) Deleting section 3 defining the practice of law, due to opposition by the Hawaii State Bar Association; and
- (3) Revising section 2 of this measure to provide that any licensed attorney employed by DOTAX, as an administrative rules officer or administrative rules specialist may be designated a special tax counsel for the department to provide certain legal advice and representation, and also requiring public disclosure of legal advice and communications by such persons in accordance with federal law. DOTAX is required by this measure to report to the Legislature annually, concerning the time spent by each such person for each category of work performed.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3386, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3386, H.D. 1, S.D. 2, C.D. 1.

Representatives Waters, M. Oshiro, B. Oshiro and Finnegan.
Managers on the part of the House.

Senators Nishihara, Taniguchi, Baker, Kokubun and Tsutsui.
Managers on the part of the Senate.
(Senators Kokubun and Tsutsui were excused.)

Conf. Com. Rep. 132-08 on H.B. No. 661

The purpose of Part I of this measure is to create a pilot comprehensive public funding program for elections to the Hawaii county council in 2010, 2012, and 2014.

Part II of this measure:

- (1) Establishes qualifications, limitations on funding and use of funds, and reporting requirements;
- (2) Clarifies that "ordinary and customary" expenditures are allowable under campaign spending law;
- (3) Clarifies what constitutes a "loan" for purposes of the campaign contribution;
- (4) Clarifies campaign spending law relating to electronic filing of reports;
- (5) Clarifies that the campaign spending commission shall not issue rules through an advisory opinion;

- (6) Establishes that in the case of a corporation or company using funds from its own treasury, there shall be a limit of \$25,000 to its own noncandidate committee;
- (7) Clarifies who is subject to administrative fines for violations relating to campaign contributions and expenditures; and
- (8) Increases the amount a candidate can transfer from campaign or surplus funds to a community or charitable organization.

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

- (1) Making technical revisions to conform the new pilot comprehensive public funding program for Hawaii county council elections to many of the general requirements and standards of chapter 11, part XII;
- (2) Establishing filing standards and limitations on seed money contributions;
- (3) Establishing registration, reporting, and filing requirements for individuals who use seed money to determine whether sufficient support exists for them to run for office as comprehensive publicly funded candidates, but who have not already registered with the Campaign Spending Commission (CSC);
- (4) Allowing a certified candidate who is an office holder to raise from private contributions pursuant to chapter 11 an aggregate amount of \$2,000 per year when surplus falls below \$4,000, provided that the contributions are received from individuals each with a contribution limit of \$250 per election period;
- (5) Changing from ten days to thirty days the time period for a candidate who has withdrawn to return funds;
- (6) Establishing that if \$300,000 is distributed in conjunction with an election under the pilot project, CSC shall allow certified candidates to accept and spend contributions, subject to section 11-204;
- (7) Providing that a winning primary candidate who does not have an opponent in a general election shall return all unexpended funds to the Hawaii campaign election fund within thirty days of the date of the primary election, except as may be otherwise allowable to retain;
- (8) Clarifying the amounts and timing for disbursement of equalizing funds for a certified candidate opposed by a nonparticipating candidate;
- (9) Eliminating the criminal misdemeanor penalty for failure to file a report by a nonparticipating candidate, and replacing it with a fine amount pursuant to chapter 11, and establishing that a nonparticipating candidate who files a false report concerning independent expenditures shall be subject to penalties under section 11-228 and prosecution pursuant to section 11-229, and any provision of the Hawaii Penal Code;
- (10) Clarifying that expenditures of public funds received as part of the pilot project shall only be made by debit card or checks drawn on the account required by section 11-199(a);
- (11) Clarifying that seed money and qualifying contributions received by a candidate shall be included in the aggregate contributions of individuals for purposes of section 11-204 under certain conditions;
- (12) Deleting provisions relating to creation of an independent review committee and requiring CSC to establish and provide administrative and staff support to such committee;
- (13) Stipulating that the Hawaii election campaign fund shall be under no obligation to provide money to eligible candidates if in the partial public funding program or the pilot project program for the Hawaii county council, the funds are "near depletion," rather than "have been depleted"; and
- (14) Allowing CSC to determine whether the pilot project program may remain in operation if the Hawaii election campaign fund is close to depletion.

Your Committee has amended Part II of this measure by:

- (1) Deleting the proposed revision to section 11-204, relating to corporate contributions to noncandidate committees;
- (2) Deleting the revision of the term "ordinary and necessary" expenses, in regard to allowable use of campaign funds or surplus funds;

Your Committee has amended Part III of this measure by deleting the section referencing the case *Charmaine Tavares Campaign v. Barbara U. Wong*.

Your Committee notes that although the section of this measure changing the term "necessary" to the term "customary" relating allowable uses of campaign funds and surplus funds was deleted from this C.D.1, [Election Campaign Contributions and Expenditures provisions in Chapter 14.1 of Title 2 Subtitle 1, Hawaii Administrative Rules, includes the following subsection \(f\) in §2-14.1-16:](#)

[Authorized campaign expenditures; unauthorized campaign expenditures:](#)

...

[\(f\) Ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an elected state or county office shall include usual and reasonable expenses, and bear a direct relation to the office; and such expenses shall be *absolutely* necessary](#)

for carrying out the duties of the office. Such expenses may include office equipment or supplies, but not travel or related expenses, food or other professional or personal services. (Emphasis added).

Your Committee wishes to express strong concerns that this rule exceeds statutory authority. In your Committee's view, "necessary" expenditures need not be "absolutely" necessary. Customary gestures of good will and hospitality, such as presenting lei and providing refreshments at a gathering of staff or constituents, are within the bounds of ordinary and necessary expenses. The Committee's view is that the term "ordinary and necessary" should be interpreted in conformance with federal tax law.

Your Committee also notes that section 27 of S.D.3 of this measure, clarifying limitations on contributions from corporations to their non-candidate committees, was deleted from this C.D.1 so that the outcome of the appeal of the case of *Charmaine Tavares Campaign v. Barbara U. Wong, et al.*, Civil No. 06-1-0430, may be reached prior to legislation addressing this issue.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 661, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 661, H.D. 1, S.D. 3, C.D. 1.

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

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

Conf. Com. Rep. 133-08 on H.B. No. 2763

The purpose of this bill is to continue to develop programs to aid children of incarcerated parents, strengthen the family bond, and help break the cycle of crime and violence by re-establishing the Children of Incarcerated Parents Task Force (Task Force).

Your Committee on Conference has amended this bill by:

- (1) Extending the life of the Task Force to June 30, 2012;
- (2) Requiring the Task Force to submit an additional report prior to the convening of the Regular Session of 2012;
- (3) Deleting provisions providing funding for the Task Force;
- (4) Changing the effective date to upon its approval; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2763, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2763, H.D. 1, S.D. 1, C.D. 1.

Representatives Evans, Rhoads, Lee and Finnegan.
Managers on the part of the House.

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

Conf. Com. Rep. 134-08 on H.B. No. 2781

The purpose of this bill is to reduce the burden that State regulation places on small businesses by:

- (1) Setting forth the rights of small businesses as they interact with and are regulated by state agencies;
- (2) Specifically authorizing the Ombudsman in chapter 96, Hawaii Revised Statutes, to investigate complaints of violations of the foregoing rights; and
- (3) Requiring the Small Business Regulatory Review Board to convene a working group to review whether the procedures related to rulemaking under Hawaii's Small Business Regulatory Flexibility Act adequately address the concerns of small business.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions specifically authorizing the Ombudsman to investigate complaints of violations of the Small Business Bill of Rights;

- (2) Requiring agencies, under the Small Business Regulatory Flexibility Act, to perform and include in their small business impact statement for proposed rules, a more rigorous examination and justification of rules that impose standards more stringent than those mandated by any comparable or related federal, state, or county laws;
- (3) Changing the effective date to July 1, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2781, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2781, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamashita, Waters, Tokioka, Wakai and Ching.
Managers on the part of the House.
(Representative Ching was excused.)

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

Conf. Com. Rep. 135-08 on H.B. No. 2500

The purpose of this bill is to appropriate supplemental funds for the operating and capital improvement costs of the Executive Branch for fiscal year July 1, 2008, through June 30, 2009.

GENERAL OVERVIEW

Last session, your Committee on Conference crafted a budget reflecting our shared goals, principles, and priorities, which laid the groundwork for the creation of a sustainable Hawai'i, with support for strong families and communities, a healthy economy and environment, and a literate and competent workforce able to compete in the global marketplace. Acutely aware that Hawai'i's strong economic growth of the mid-2000's had begun to cool, your Committee on Conference noted that caution should be exercised when obligating the State to pay for new programs and positions (with their recurring costs) that are not absolutely essential. Your Committee on Conference's cautious approach was well-founded.

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 this commentary, the Governor's senior policy advisor complained that the Legislature did not do enough, specifically criticizing the Legislature's decision not to meet several of the Governor'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. However, a mere 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, Hawai'i would now be facing a \$784,000,000 shortfall.

STATE OF THE ECONOMY

HAWAII'S ECONOMY HAS SLOWED

After strong economic growth in the mid-2000s — peaking with double-digit growth rates in fiscal year 2005 (16 per cent) and 2006 (10.9 per cent) — Hawai'i's economy slowed sharply in 2006 and 2007. In February 2008, a distinguished local economist commented that, "[a]ll indications now are for slower growth in Hawai'i's near future."

Real impacts were felt soon after this prediction. On March 31, 2008, after 61 years of operation in Hawai'i, Aloha Airlines announced the shut down of its passenger service; on April 2, 2008, ATA Airlines announced the shut down of all operations after 25 years of operation; and on April 5, 2008, Molokai Properties Limited (commonly known as Molokai Ranch), with a history dating back 145 years, also announced the closure of its operations. In addition, as noted by one of Hawai'i's daily newspapers on March 30, 2008, "Hawai'i mortgage delinquencies ratcheted up last year and show no indication of slowing this year as economic growth weakens, inflation remains strong and home values flatten." Furthermore, the Department of Business, Economic Development & Tourism, in its latest estimates, anticipates a 12.2 per cent decrease in total visitor arrivals, as compared to April of last year.

Clearly, these are difficult economic times. Hawai'i's economy has slowed substantially, and the State's budget must account for this economic slowdown.

COUNCIL ON REVENUES

At its March 12, 2008 meeting, the Council on Revenues lowered its January forecast of the general fund tax revenues for fiscal year 2007-2008 from 4.9 per cent to 3.9 per cent. It is important to note that each percentage point represents approximately fifty million dollars. The Council did not adjust its January forecast for fiscal year 2008-2009 through fiscal year 2012-2013. However, as those projected increases are from a smaller base, general fund revenues in each of those fiscal years will be lower as well.

For fiscal year 2006-2007 through fiscal year 2008-2009, combined, based on the Council on Revenues' forecasts between March 2007 (the basis for the balanced budget passed by the Legislature last year) and March 2008, the budget has to account for a \$487,000,000 shortfall in actual and projected general fund revenues. In other words, between last year and this year, the State has lost almost five hundred million dollars in general fund revenues.

In light of the Council on Revenues' recent forecasts, your Committee on Conference is remaining cautious. Your Committee on Conference is projecting that revenues will continue to decline, settling somewhere around 3.5 per cent, and has adjusted expenditures herein accordingly.

INFLATION

The Governor still contends that Hawai'i's economy is growing, albeit more slowly. Spinning the economic growth issue in this manner does a disservice to Hawai'i's people by creating the false impression that Hawai'i's economy is growing in real dollars.

The truth is that inflation is eating up most, if not all, of Hawai'i's increase in general fund revenues. In its latest quarterly report, the Department of Business, Economic Development & Tourism stated that the Honolulu Consumer Price Index is expected to rise 4.0 per cent in 2008. Therefore, considering the Council on Revenues' projection of 3.9 per cent growth for fiscal year 2007-2008, Hawai'i's real (inflation-adjusted) growth projection is closer to zero for the fiscal year.

Indeed, the effects of inflation are seen throughout the executive supplemental budget bill and in several emergency appropriation bills submitted by the Governor requesting supplemental funds to cover increased costs for energy, food, health care services, repair and maintenance, and other necessary goods and services.

As the state Comptroller acknowledged in testimony, world oil prices have been steadily increasing, causing electricity rates to go up. However, even with that acknowledgment, the Governor continues to assume oil prices of \$70 a barrel in estimating and budgeting for energy costs, while in reality, oil prices are now over \$110 a barrel. The Governor's consistently low estimates for energy costs have resulted in *annual* requests for emergency appropriations to cover actual costs. We expect that the Governor will *again* have to request emergency appropriations to cover actual energy costs next year. This is just one area where the Governor does not appear to have updated her financial plan. This creates a flawed picture of the true cost of government and the resources required in future years.

Finally, your Committee on Conference takes heed of the University of Hawai'i Economic Research Organization's warning that, this year, "inflation will continue to be relatively high because of the recent sharp spike in oil prices and high food prices which will take some time to recede." Considering all of these factors, Hawai'i's real growth is not in positive, but negative numbers for the near term.

NATIONAL ECONOMIC OUTLOOK

Growth of United States economic output (real gross domestic product) slowed to a meager 0.6 per cent annual rate in the final quarter of 2007, according to the "advance" estimate released by the United States Commerce Department on January 30, 2008. The weakest parts of the economy in the fourth quarter were sectors affected directly or indirectly by the national housing downturn.

Residential fixed investment fell at an annual rate of 23.9 per cent, the steepest decline yet in the two-year slide, and growth of personal consumption expenditures slowed to an annual pace of two per cent — presumably weighed down by loss of housing equity and related concerns. The labor market also showed serious recent signs of weakness, largely because of job losses in residential construction and related areas (including housing finance).

These factors have all added to recession worries among financial market participants and policymakers in Washington, D.C. Additionally, the University of Hawai'i Economic Research Organization's March 21, 2008, forecast for the United States economy "implies a relatively mild recession by historical standards, but with a similarly restrained pace of economic recovery."

FISCAL CONDITIONS IN OTHER STATES

In its April 2008 State Budget Update, the National Conference of State Legislatures (NCSL) noted that, with few exceptions, state finances are doing poorly. Legislatures are struggling to keep fiscal year 2007-2008 budgets in the black in addition to balancing fiscal year 2008-2009.

The debate on whether or not the national economy is in recession is moot for many states, as revenues have declined dramatically. NCSL notes that for many states, the declining revenues for fiscal year 2007-2008 are a result of budgets built on revenue assumptions that did not materialize.

There are spending overruns in about a quarter of the states for fiscal year 2008-2009. Examples of those overruns are unbudgeted increases in education spending, increases in juvenile justice programs, Medicaid shortfalls, and rising energy costs.

Sixteen states are dealing with budget gaps in fiscal year 2007-2008, and twenty-three states are reporting projected shortfalls in fiscal year 2008-2009. Their cumulative shortfall is \$26 billion. To address this shortfall, states are engaging in the following actions:

- Reducing spending, and in some cases, eliminating programs;
- Using rainy day funds, and in some cases, the entire fund balance;
- Transferring from other state funds to the general fund;
- Tax or fee increases; and
- Selling assets, such as unclaimed property.

In short, the revenue picture in about half of the states is considerably worse than it is in Hawai'i. However, it would be wise to take note of their situations and be aware of the potential impacts on Hawai'i's economy. Given the added likelihood of a recession for the national economy, it is imperative that state government exercise fiscal restraint.

LIMITED STATE RESOURCES

APPROACH

With considerably lower than projected general fund revenues available, your Committee on Conference sought to preserve and ensure essential health and safety funding in this supplemental budget. However, limited resources and problems created by the Governor provided many challenges for your Committee on Conference as it finalized the budget.

Your Committee on Conference had to make reductions to the Governor's supplemental budget through a combination of denying requests, making vacancy adjustments, and reducing the departments' general fund non-fixed cost "discretionary" budget appropriations. In addition, your Committee on Conference also dealt with the rather late concerns raised by the Charter Schools Administrative Office and the Director of Human Services misinforming recipients of federal assistance.

VACANCIES

Regarding vacancy adjustments, your Committee on Conference generally considered only those positions that have been vacant since June 30, 2007, or longer. Your Committee on Conference did not eliminate any position counts, unless those position counts were trade-offs for new positions. This approach affords more flexibility, allowing departments to fill those positions when economic times are more favorable. Your Committee on Conference further notes that funds were not taken from positions filled with eighty-nine-day hires and vacancy savings was focused on general funded positions.

DISCRETIONARY REDUCTIONS

In an effort to reduce spending, your Committee on Conference reduced the departments' general fund discretionary appropriations by an average of four per cent, with a range of two and a half per cent to five per cent. In making these reductions, your Committee on Conference considered the ability of the individual departments to sustain the level of reduction imposed in this supplemental budget. Your Committee on Conference notes that while these reductions are mostly from each department's administrative program, it is not the intent of your Committee on Conference to cripple department administrative programs. 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.

REDUCTIONS TO DEPARTMENTS

There are many state agencies that received a dramatic decrease in general funds in this supplemental budget. The following chart is provided to illustrate these decreases:

<u>Department</u>	<u>Act 213/07 FY 08-09</u>	<u>Governor's Request</u>	<u>HB 2500 CD1</u>	<u>CD1-Gov</u>
Agriculture	17,294,198	17,294,198	16,482,274	(811,924)
DAGS	72,865,946	74,039,337	70,258,851	(3,780,486)
Attorney General	29,690,945	30,242,356	28,266,723	(1,975,633)
DBEDT	11,653,903	12,378,903	11,236,808	(1,142,095)
Budget & Finance	696,053,945	656,631,541	654,483,303	(2,148,238)
DCCA				
Defense	12,019,959	16,865,141	16,251,999	(613,142)
DOE Schools	1,404,906,145	1,402,224,733	1,394,564,070	(7,660,663)
Libraries	30,879,661	30,879,661	29,967,463	(912,198)
Charter Schools	51,635,990	56,150,695	57,745,483	1,594,788
DOE Fixed Costs	637,285,207	708,356,753	708,356,753	-

<u>Department</u>	<u>Act 213/07 FY 08-09</u>	<u>Governor's Request</u>	<u>HB 2500 CD1</u>	<u>CD1-Gov</u>
Governor's Office	3,894,690	3,894,690	3,712,323	(182,367)
Hawaiian Homelands	920,520	920,520	883,699	(36,821)
Human Services	776,011,204	781,076,693	772,444,406	(8,632,287)
Human Resources	16,844,870	16,844,870	16,539,593	(305,277)
Health	499,445,083	517,473,146	509,674,328	(7,798,818)
Labor	18,159,145	18,224,145	17,230,169	(993,976)
Land and Nat. Res.	33,008,346	34,532,761	32,743,127	(1,789,634)
Lt. Governor's	1,261,138	1,261,138	1,229,610	(31,528)
Public Safety	219,503,916	224,878,138	223,189,934	(1,688,204)
Subsidies to Counties	580,000	580,000	580,000	-
Taxation	25,084,470	25,674,470	24,072,043	(1,602,427)
Transportation				
University	714,532,333	732,552,861	728,299,688	(4,253,173)
Total	5,273,531,614	5,362,976,750	5,318,212,647	(44,764,103)

The first column represents the fiscal year 2008-2009 general fund budget, as provided for in Act 213, Session Laws of Hawai'i 2007. The second column lists the Governor's current budget submittal, as amended by Governor's Messages. The third column lists department totals as represented in this Conference Draft of the budget, and the fourth column represents the dollar difference between the second and third columns.

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)

In addition to these general fund reductions, your Committee on Conference is concerned about the unsustainable rate of expenditure of federal TANF funds and its cash reserves as proposed by the Governor. The expenditure plan proposed by the Governor for fiscal year 2008-2009 would expend all of the \$98.9 million in the TANF block grant and \$40 million of the cash reserve. The only reason that Hawai'i is able to spend more than it receives is because of its pre-existing TANF reserve fund. However, your Committee on Conference notes that at the end of the current fiscal year, the reserve fund is projected to total \$60 million.

If the Administration continues to spend \$43 million from the TANF reserve, the reserve would be completely depleted in a year and a half. At that time, state expenditures of federal TANF funds would have to be reduced to a sustainable level of \$98.9 million, a decrease of \$43 million. With no reserve funds, there is no other option but to dramatically decrease spending.

On April 18, 2008, the Governor affirmed her position on continuing to expend TANF reserve funds in her "Pic of the Week" section on her website, where she agreed with the Director of Human Services, that:

[T]he state should put all its federal Temporary Assistance for Needy Families (TANF) funding to work on initiatives that prevent and reduce family poverty.

Most other states share this philosophy and keep only a negligible amount of TANF funding in reserve. This is a fiscally sound approach, because TANF dollars lose their flexibility when kept in reserve and thereafter can only be used for cash assistance to needy families.

In correspondence received from the NCSL, your Committee on Conference notes the following as an example of the potential outcome of the Governor's approach to the expenditure of TANF funds:

Louisiana provides an instructive counter-example. When they identified large TANF carryover funds in [federal fiscal year] 2001, they adopted an aggressive plan to spend down the funds on a variety of TANF initiatives. They spent most of their carry-over funds down in three years and had to make cuts of over \$60 million (out of a \$280 million state and federal TANF budget) in 2005. They eliminated a number of promising initiatives, including youth programs, prisoner re-entry programs and fatherhood programs, just as those initiatives were coming up to speed and showing real promise. State policymakers described the process as wrenching, but they just did not have state money to make up for the loss of available TANF dollars. Community officials, public, non-profit, and private, complained about state officials pulling the plug on good, new programs without their even looking to see if the programs were working.

To avoid the path taken by Louisiana, your Committee on Conference has decided to take a fiscally responsible approach by decreasing federal TANF spending by \$22.6 million. To reduce spending, your Committee on Conference decreased:

- \$11.8 million in purchase of service contracts for out-of-wedlock pregnancies and to encourage the formation and maintenance of two-parent families;
- \$7 million for purchase of service contracts for child welfare;

- \$5.9 million for the child care development fund;
- \$5.6 million in uncommitted funds;
- \$3 million for work and work support programs; and
- \$1 million for cash assistance payments.

In your Committee on Conference's TANF expenditure plan, funding of \$44 million is still provided for cash assistance to needy families, \$23 million for work and work support programs, \$3.8 million for Enhanced Healthy Start programs on all islands (child welfare), \$2.8 million for Uniting Peer Learning and Integrating New Knowledge (UPLINK), a highly effective positive youth development program for middle school students, \$3.5 million for various purchase-of-service contracts, \$1 million to reduce the incidence of out-of-wedlock pregnancies and encourage the formation and maintenance of two-parent families, \$400,000 for after school hours programs for youth, and other TANF funds to address issues such as Administration and Social Services Block Grant funding.

As a transition to a more prudent approach to TANF expenditures, especially in light of our current economic climate when TANF reserves may be needed for cash assistance, your Committee on Conference is spending \$17 million from the TANF reserve fund for those additional services. As a point of reference, the Governor's expenditure plan would have expended \$40.6 million from the TANF reserve. Unlike the Governor's plan, your Committee on Conference's approach will leave the TANF reserve with \$44 million in fiscal year 2008-2009 (or one year's worth of cash assistance payments), providing the State with flexibility as it faces more difficult economic times.

Your Committee on Conference realizes that a real impact will be felt as a result of these reductions. However, the choice is simple: decrease spending by \$22.6 million now and keep a reserve for times of need; or continue to spend and face a \$43 million decrease in spending a year and a half from now, with no reserve whatsoever.

GRANTS-IN-AID (GIA)

For the first time in at least ten years, there will be no GIA in the operating budget. Not only did your Committee on Conference lack the resources to provide for GIA, your Committee on Conference realized that the Governor does not support these organizations and would not release the funds, even if they were appropriated by the Legislature. Your Committee on Conference notes that there are currently sixty-six organizations waiting for the Governor to release over \$9.4 million previously appropriated in the operating budget by the Legislature for fiscal year 2007-2008.

CHARTER SCHOOLS

In stark contrast to the aforementioned reductions, the budget for charter schools has increased. From last year's appropriation of \$51,635,990 in general fund support for charter schools, this budget appropriates \$57,745,483, an increase of 11.83 per cent. This amount is also \$1,594,788 more than the Governor's budget proposal.

THE GOVERNOR'S APPROVED SUPPLEMENTAL BUDGET

The Charter Schools Administrative Office (CSAO) requested \$19,273,076 in additional funds from the Governor. However, the Governor approved only \$4,514,705 in her supplemental budget request to the Legislature. Both the House Committee on Finance and the Senate Committee on Ways and Means concurred with this amount in their respective drafts of the budget. In addition, both committees did not impose any budget reductions on charter schools as approved by the Governor. In contrast, the Department of Education (DOE) received a reduction of \$8,455,255 in the House draft and \$7,328,346 in the Senate draft, as compared to last year.

It is important to note that the Governor's budget for charter schools was published in mid-December. Additionally, the House draft of the budget for charter schools was completed and made public in early March. The Senate draft of the budget for charter schools was made public in early April. Each of these budgets includes the same increase for charter schools for fiscal year 2008-2009 - \$4,514,705. The CSAO and the charter schools had ample time to review their budget calculations. Additionally, the Chief Financial Officer of the CSAO acknowledged this discrepancy in his correspondence with members of both the House Finance and Senate Ways and Means Committee staff in late January.

ARBITRARY REDUCTION

Nearly two months later, on March 31, 2008, a request was made by the Executive Director of the CSAO to both the House Finance and Senate Ways and Means Chairpersons to transfer funds from Comprehensive Student Support Services (EDN150) to the charter school budget in EDN600. It is important to note that EDN150 provides for the special education needs of all public school students, whether they are in a DOE school or in a charter school.

NO GOVERNOR'S MESSAGE

In response, on April 4, 2008, both the House Finance and Senate Ways and Means Chairpersons requested that the Governor provide a Governor's Message to confirm her support for this transfer or to request additional funding for charter schools. No such Governor's Message was received.

NON-RECURRING

In the closing days of Conference negotiations, charter school students, parents, faculty, and staff heavily petitioned members of the Conference Committee to increase the charter schools' budget. In response, your Committee on Conference has reduced funding for the

employer's share of health benefits payments by \$1,594,788 and is providing that money as a one-time stop-gap funding measure for charter schools. This leaves the charter schools' budget at \$57,745,483, an increase of \$6,109,493 from fiscal year 2007-2008. In contrast, the budget for the rest of the State's lower education system has decreased by approximately \$7 million from fiscal year 2007-2008.

CHARTER SCHOOL REVIEW PANEL (CSRP) APPROVES NEW SCHOOL

To exacerbate the situation, the CSRP recently approved a new charter school, allowing 250 new students to enter the system. This would have the effect of lowering the current per pupil amount for existing charter schools. Your Committee on Conference hopes that the CSRP will consider the fiscal situation of the charter school system and the State when it next considers approving new charters.

FUNDING FORMULA

Finally, the formula used to determine the charter schools' general fund request is established in section 302B-12, Hawai'i Revised Statutes. This formula has been the subject of much debate in recent years. Your Committee on Conference notes that in last year's committee report for the House draft of the budget, concerns were raised with regard to fringe costs. It appeared that costs for health benefits and pension accumulation were included in the calculation of the DOE's spending amount. Despite these funds not being a part of the DOE's budget, their inclusion in the per-pupil calculation for DOE inflated the per-pupil calculation for charter schools.

At the end of last year's legislative session, it was ultimately decided to agree with the Governor's request for charter schools, despite the fact that the per-pupil calculation included these fringe costs and was therefore an over-estimation. In addition, the funding formula was changed in hopes of clarification. However, it appears that confusion still persists in this calculation, as a variety of different figures relating to per-pupil calculations have appeared this year, each yielding a different result.

Your Committee on Conference wishes to reiterate that this funding approach is intended to be a one-time non-recurring fix. It is incumbent on all parties, working together during the legislative interim, to craft an understandable formula for determining the charter schools' operating general fund budget. Your Committee on Conference hopes that this formula will allow a simple comparison of the operating general fund support level for both charter schools and DOE schools.

CAPITAL IMPROVEMENT PROGRAM

Mindful of a slowing in the State's economic growth, your Committee on Conference has taken an approach to capital investment that both recognizes fiscal uncertainty and helps to blunt its impact in coming years by providing an economic stimulus without unduly burdening the State with debt. For fiscal year 2008-2009, the Executive request for the capital improvement program was \$1,494,835,000 for General Obligation (G.O.) and General Obligation Reimbursable (G.O.R.) bond funds. Your Committee on Conference provided slightly less than that amount for a total of \$1,490,000,000 in G.O. and G.O.R. financing. In all means of financing, this budget provides \$3,978,910,000 for capital improvement program projects statewide.

Education

Investing in the aging infrastructure of our public schools was the primary focus of your Committee on Conference. For fiscal year 2008-2009, your Committee on Conference provided \$310,193,000 to the Department of Education in G.O. and G.O.R. financing, including:

- \$100,000,000 for whole school classroom renovations statewide;
- \$66,461,000 for school building repair and maintenance; and
- \$49,020,000 for cesspool remediation to assist the Department of Education in meeting an Environmental Protection Agency mandate.

Your Committee on Conference has taken note of the alarming state of some facilities within the University of Hawaii system and provided \$161,446,000 for fiscal year 2008-2009 by all means of financing for capital improvements in the university system. Included in that total are:

- \$35,883,000 for renovation of the University of Hawaii at Manoa Campus Center Complex;
- \$60,000,000 for system wide capital renewal, deferred maintenance, and health and safety measures; and
- \$25,000,000 for a new science building for the Maui community college campus.

Transportation

An efficient system of harbors and airports is vital to the flow of people and goods to, from and within Hawaii. Your Committee on Conference provided an investment of \$124,375,000 in revenue bond funds for harbor modernization projects and an additional \$130,236,000 for airport modernization. In order to maintain and improve our highway system, your Committee on Conference provided a total of \$183,066,000 by all means of financing for fiscal year 2008-2009.

Energy Efficiency

Your Committee on Conference recognized that energy efficiency is an investment that pays for itself and, to that end, provided \$17,460,000 for energy conservation and efficiency projects throughout the State for fiscal year 2008-2009.

Housing

The lack of affordable housing and the resultant homelessness are major concerns of your Committee on Conference. Appropriations to address the issue include a total infusion of \$25,000,000 in general obligation bond funds into the Rental Housing Trust Fund and the Dwelling Unit Revolving Fund in order to finance additional affordable housing. Your Committee on Conference also provided \$1,454,000 in general obligation bond funds for the Kaloko Housing Program in West Hawaii and \$26,000,000 to finalize the purchase of the Kukui Gardens project.

CONCLUSION

Given substantially lower than projected general fund growth for fiscal year 2007-2008, your Committee on Conference has crafted an honest, responsible and sustainable supplemental budget. This budget does not create false impressions and should not give rise to false expectations.

In total (all means of financing), this supplemental budget appropriates \$10,789,367,663 in fiscal year 2008-2009. Specifically regarding general fund appropriations, this budget appropriates \$5,318,212,647 in fiscal year 2008-2009. Compared with the budget request submitted by the Governor in December 2007, as adjusted by Governor's Messages throughout this legislative session, this budget represents a decrease of \$44,764,103 in fiscal year 2008-2009 in general fund appropriations.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2500, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2500, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Lee, Awana, Belatti, Brower, Carroll, Hanohano, Har, Karamatsu, Magaoay, Manahan, Mizuno, Nakasone, Rhoads, Sagum, Tokioka, Meyer, Pine and Ward.

Managers on the part of the House.
(Representative Nakasone was excused.)

Senators Baker, Tsutsui, Chun Oakland, English, Fukunaga, Hooser, Inouye, Kim, Menor, Tokuda, Hemmings and Whalen.
Managers on the part of the Senate.
(Senator Hemmings voted no.)

Conf. Com. Rep. 136-08 on H.B. No. 2700

The purpose of this measure is to provide the Judiciary with the supplemental appropriations and authorizations for its operations and capital improvements for fiscal year 2008-2009.

Your Committee on Conference provided an additional \$6,349,251 in general funds and \$53,000 in special funds, increasing the Judiciary's total budget for fiscal year 2008-2009 to \$152,392,779.

In light of the most recent financial projections for the State, your Committee on Conference took a conservative approach in providing funding for fiscal year 2008-2009, yet prioritized safety and security concerns. The following items were provided to the Judiciary to address these concerns:

- (1) \$111,479 in general funds to replace security metal detectors and x-ray machines;
- (2) \$120,560 in general funds to replace air conditioner condenser water pipes;
- (3) \$450,400 in general funds to replace carpeting; and
- (4) \$442,472 in general funds for risk management purposes.

Your Committee on Conference recognizes the need to support the Judiciary in its efforts to provide services to the public and has provided the Judiciary with the following items to expand vital services and programs:

- (1) \$28,000 in general funds to provide medical care to juveniles housed at the state detention facility;
- (2) \$416,000 in general funds for increased psychiatric/psychological fees;
- (3) \$443,064 in general funds to expand the Maui/Molokai Drug Court;
- (4) \$215,637 in general funds and four positions to expand the Hamakua North/South Kohala court;
- (5) \$110,000 in general funds to expand court interpreter services;
- (6) \$1,935,658 in general funds for contracted guardian ad litem and court-appointed counsel fees; and
- (7) \$150,000 in general funds to expand existing domestic violence services.

In order to provide access to legal services for those who otherwise cannot obtain them, your Committee on Conference also provided the Judiciary with \$1,767,683 for the following grants-in-aid service providers: Legal Aid Society of Hawaii, Volunteer Legal Services, Hawaii Family Law Clinic, Children's Alliance of Hawaii, and Na Loio.

Your Committee on Conference focused its attention on completion of the Kapolei Judiciary Complex Phase I and providing necessary renovation and repair of existing facilities statewide for fiscal year 2008-2009. A total of \$14,260,000 in general obligation bond funds was provided for the Judiciary for fiscal year 2008-2009, including:

- \$9,225,000 for equipment for the Kapolei facility;
- \$4,360,000 for improvements necessary for public safety, access and operational efficiency at state court facilities; and
- Funds to begin planning for a status offender shelter and juvenile services center at the current site of the juvenile detention facility moving to Kapolei.

Finally, your Committee on Conference made technical amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2700, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2700, H.D. 1, S.D. 2, C.D. 1.

Representatives Waters, M. Oshiro and Meyer.
Managers on the part of the House.

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

Conf. Com. Rep. 137-08 on H.B. No. 118

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

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

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

Your Committee on Conference has amended this measure by:

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

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

Representatives M. Oshiro, Lee and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 138-08 on H.B. No. 2739

The purpose of this bill is to encourage the establishment and growth of agricultural businesses within Hawaii's enterprise zones (EZs) by amending the EZ law to recognize the unique challenges faced by this industry. This bill:

- (1) Makes businesses that process agricultural products eligible for EZ benefits;
- (2) Includes as full-time employees, leased employees and persons employed under a joint employment arrangement;
- (3) Allows agricultural businesses, as an alternative to increasing the number of their full-time employees, to qualify for EZ benefits by increasing gross sales of agricultural crops or products processed by two percent annually;
- (4) Allows agricultural businesses to qualify for EZ benefits by counting retail sales of value-added products made from crops grown in the EZ toward the 50 percent of gross receipts derived from business activities within the EZ that is required to obtain benefits; and

- (5) Allows agricultural businesses whose activities are disrupted by storms, droughts, and other force majeure events to remain eligible for EZ benefits during the period of disruption.

This bill also disqualifies agricultural businesses other than those engaged in producing genetically engineered products from the EZ general excise tax exemption for retail sales.

Your Committee on Conference has amended this bill by:

- (1) Providing that for a business engaged in processing agricultural products to be considered a qualified business, some or all of the products processed must be grown within an EZ;
- (2) Providing that the new employment requirements for businesses located in an area that becomes an EZ will only apply to EZs established after the effective date of the bill, to protect businesses that are meeting employment requirements under existing law;
- (3) Changing the effective date to July 1, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2739, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2739, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamashita, Tsuji, M. Oshiro and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 139-08 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 on the vehicle of a person arrested for driving under the influence of an intoxicant (DUII) in order to prevent the person from starting or operating a motor vehicle with more than a minimal alcohol concentration while the person's case is pending and the person's license is revoked pursuant to chapter 291E, Hawaii Revised Statutes;
- (2) 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;
- (3) Stipulating that surcharges on offenders and fees on vendors shall be deposited into the Ignition Interlock Special Fund;
- (4) Providing for certification of ignition interlock devices and vendors who install and maintain them;
- (5) Requiring the cost of the installation and maintenance of an ignition interlock to be borne by the defendant;
- (6) Amending various penalties and conditions related to driver's licenses and operating a vehicle under the influence of an intoxicant;
- (7) Specifying that the ignition interlock device must be installed during the period in which the driver is released on bail, recognizance, or supervised release;
- (8) Allowing the issuance of permits authorizing the use of vehicles without ignition interlock devices if the operation of a vehicle is required for employment, specifying the conditions which must be met prior to the issuance of these permits, and stipulating when permits shall not be issued; and
- (9) 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
- (10) Appropriating funds from the Driver Education and Training Special Fund for the Task Force to carry out its responsibilities, since driver education and behavior modification are key objectives of this measure.

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 substantially reduce the number of fatalities.

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 interlock devices 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 vehicles. Your Committee on Conference 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.

Your Committee has amended this bill by:

- (1) Clarifying that the certification of ignition interlock devices and vendors who install and maintain them shall be a "nationally recognized certification organization" rather than specifying the organization to be "Underwriters Laboratory Inc.";
- (2) Reinserting language that allows for ninety-day prompt suspension of license and privilege to operate a vehicle during the suspension period, or for the court to impose, in lieu of the ninety-day prompt suspension of license, a minimum thirty-day prompt suspension of license with absolute prohibition from operating a vehicle and, for the remainder of the ninety-day period, a restriction on the license that allows the person to drive for limited work-related purposes and to participate in substance abuse treatment programs for a first time offense or any offense not preceded within a five-year period by a conviction;
- (3) Allowing the courts additional flexibility in sentencing first time DUII offenders to license suspension or license revocation and installation of an ignition interlock device;
- (4) Stipulating that \$50,000 shall be appropriated out of the Driver Education and Training Special Fund and placed into the State Highway Fund and that \$50,000 shall be appropriated out of the State Highway Fund to support the work of the Task Force;
- (5) Inserting language exempting persons convicted of a first offense of highly intoxicated driving from the financial responsibility (SR22) requirement; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3377, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3377, S.D. 2, C.D. 1.

Representatives Souki, Waters, Har and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Gabbard, Taniguchi, Tsutsui, English and Trimble.
Managers on the part of the Senate.
(Senators Taniguchi and Trimble were excused.)

Conf. Com. Rep. 140-08 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 requiring the Department of Transportation to develop a West Maui transportation access plan, which can serve as a model for developing plans in other areas having similar problems, such as West Kauai, Waianai, and the Kealahou area. Specifically, this measure:

- (1) Creates a temporary West Maui Transportation Access Plan Working Group (Working Group), within DOT, to develop and submit a plan to the Legislature prior to the regular session of 2009;
- (2) Designates the members of the Working Group;
- (3) Allows the Working Group to contract with a consultant to develop the plan; and
- (4) Appropriates an unspecified amount of funds to develop the plan, including the hiring of a consultant.

Many rural areas around 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. Developing a model plan for West Maui can serve other areas of the State that face similar problems.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$50,000 for the Working Group to develop the plan, including the hiring of the consultant;
- (2) Changing the effective date of the appropriation amount to July 1, 2008; and

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2531, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2531, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Carroll, McKelvey and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 141-08 on H.B. No. 357

The purpose of this bill is to increase the safety of pedestrians, especially those who are elderly, by appropriating general funds for the Department of Transportation (DOT) to:

- (1) Work with the counties and nonprofit organizations to take immediate action to make high-risk crosswalks and roadways safer;
- (2) Conduct a study to identify intersections at which the time for crossing is too short for elderly pedestrians; and
- (3) Develop additional plans to make crosswalks and roadways safer for all pedestrians.

This measure also stipulates that the study conducted by DOT focus on several key points and that DOT submit a report of its findings, accomplishments, future plans, cost estimates, and any proposed legislation to the Legislature.

Pedestrian fatalities in Hawaii, especially among our elderly population, have often been at an unacceptably high level. Over the past several years, Hawaii averaged slightly over 30 pedestrian deaths a year, ranking Hawaii high nationally in pedestrian deaths. Your Committee on Conference finds that appropriating funds and taking immediate steps and planning future steps to increase safety at crosswalks, as well as studying which intersections and crosswalks pose great risks for crossing by pedestrians, are important actions that should be undertaken as quickly as possible.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$1,000,000 to DOT to conduct a pilot study to identify state and county intersections where the time to cross the intersection is insufficient for elderly pedestrians and to implement immediate improvements to high-risk crosswalks and road crossings; provided that the department may consult with the counties and nonprofit organizations as appropriate for purposes of the pilot study;
- (2) Deleting language specifically appropriating monies for pedestrian safety measures such as traffic countdown timers, signals, painting of crosswalks, a public awareness campaign, and grants-in-aid for counties;
- (3) Changing its effective date to July 1, 2008; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 357, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 357, H.D. 2, S.D. 1, C.D. 1.

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

Senators English, Inouye, Baker, Gabbard and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 142-08 on H.B. No. 2843

The purpose of this bill is to support efforts to prevent the importation and spread of invasive species by:

- (1) Expanding the items subject to the inspection, quarantine, and eradication service fee (inspection fee) to include any freight, including air freight or any other means of transporting freight, brought into the state;
- (2) In lieu of the existing standard, requiring the inspection fee to be assessed based on the net weight of the imported freight;
- (3) Requiring the inspection fee to be paid by the person responsible for paying the freight charges to the transportation company; and

- (4) Requiring the transportation company to collect the inspection fee and forward the payment to the Department of Agriculture (DOA) at the port of disembarkation, provided that the transportation company is not liable for any fee that is not paid by the person responsible for paying the freight charges to the transportation company.

Your Committee on Conference recognizes the potential difficulties in implementing the provision requiring the transportation companies to collect the inspection fee and forward the payments to DOA. To provide additional time for DOA to work with the transportation companies in planning and designing a feasible collection system, your Committee on Conference has allowed additional time before this measure takes effect.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to August 1, 2008;
- (2) Amending the definition of freight to mean "nonpassenger goods, cargo, or lading, transported for pay"; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2843, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2843, H.D. 2, S.D. 2, C.D. 1.

Representatives Tsuji, Souki, Morita, M. Oshiro and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 143-08 on H.B. No. 3120

The purpose of this bill is to provide greater flexibility to the Board of Agriculture in contracting for the use 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.

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

- (1) In lieu of repealing the provision requiring that the facilities or property be leased or rented at fair market value, specifying that the facilities or property be leased or rented at a reasonable lease rent determined by the Board of Agriculture;
- (2) Requiring the facilities or property to be used for animal welfare, including emergency shelters for animals, or agriculture-related purposes; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

It is the intent of your Committee on Conference that in determining a reasonable lease rent, the Board of Agriculture shall take into consideration such factors as the length of the lease to be awarded, the cost of improvements to be expended by the lessee, whether the lessee is a profit or not-for-profit organization, the benefit to the public, and the financial viability of the lessee.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3120, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3120, H.D. 2, S.D. 1, C.D. 1.

Representatives Tsuji, Yamashita, Hanohano and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 144-08 on H.B. No. 2293

The purpose of this bill is to improve the operational flexibility and preserve valuable agricultural lands by, among other things:

- (1) Allowing the Agribusiness Development Corporation (ADC) to purchase, accept, and maintain permanent conservation easements, or transfer these easements to a qualified land trust in accordance with the federal Natural Resources Conservation Service Farm and Ranch Lands Protection Program;
- (2) Allowing ADC to contract with certain financial institutions to provide lease-management services when leasing ADC-controlled lands;

- (3) 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;
- (4) Specifying that the landowner who agrees to the sale of lands under paragraph (3) 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;
- (5) Establishing requirements for the use of installment purchase agreements, including the purchase of U.S. Treasury zero coupon bonds;
- (6) Allowing ADC to issue revenue bonds for the acquisition of certain agricultural lands;
- (7) Authorizing ADC to acquire specific agricultural lands located on Oahu and owned by the Galbraith Estate (Galbraith Lands);
- (8) In the event that an agreement to acquire the Galbraith Lands is not reached within a reasonable time as determined by the Department of Land and Natural Resources (DLNR), requiring DLNR to exercise eminent domain to acquire the Galbraith Lands; and
- (9) Appropriating funds for the purchase of the Galbraith Lands through a lump sum payment or an installment purchase agreement.

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

- (1) Revising the list of specific land parcels that comprise the Galbraith Lands;
- (2) Requiring ADC to work with a negotiating team to review and make recommendations regarding any potential transactions related to the acquisition of the Galbraith Lands;
- (3) Deleting the appropriation for the purchase of the Galbraith Lands through a lump sum payment or an installment purchase agreement;
- (4) Specifying that any moneys made available by appropriation through the Supplemental Appropriations Act of 2008 shall be expended to the extent necessary by ADC for the purchase of the Galbraith Lands; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2293, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2293, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Ito, M. Oshiro and Ching.
Managers on the part of the House.

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

Conf. Com. Rep. 145-08 on H.B. No. 3352

The purpose of this bill is to ensure effective and reasonable advocacy services to persons with developmental disabilities or mental illness by:

- (1) Establishing the Auditor's power to examine and inspect records and documents of the Hawaii Disability Rights Center (HDRC);
- (2) Requiring the Auditor to perform a financial and management audit every seven years of the entity or agency designated by state law to ensure the protection of persons with developmental disabilities or mental illness, to ensure that state funds are being spent in accordance with applicable laws; and
- (3) Conducting a financial and management audit of HDRC.

Your Committee on Conference requests that the Auditor review all financial, management, and program audits performed on HDRC for the past five years by any federal agency or private entity.

Your Committee on Conference has amended this bill by:

- (1) Removing provisions that change the Auditor's scope of duties to include examinations of advocacy services, including advocacy services to persons with developmental disabilities or mental illness;
- (2) Removing the appropriation;
- (3) Specifying that the Auditor conduct an audit of HDRC;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 3352, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 3352, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Magaoay, Mizuno and Finnegan.
Managers on the part of the House.
(Representative Finnegan was excused.)

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

Conf. Com. Rep. 146-08 on H.B. No. 2863

The purpose of this bill is to establish a renewable energy facility siting process for state and county permits required for the siting, development, construction, and operation of a renewable energy facility.

Specifically, the measure provides the Energy Resources Coordinator with the authority to establish and implement a consolidated application process to facilitate streamlined permitting of a renewable energy facility. This measure also appropriates an unspecified amount out of the energy security special fund for these purposes.

Your Committee has amended this measure by:

- (1) Clarifying the general duties of the Energy Resources Coordinator;
- (2) Replacing references to "consolidated application" with "permit plan application";
- (3) Clarifying the requirements for a permit plan application and further clarifying the criteria and procedures for acceptance of the application;
- (4) Clarifying the public notice requirements for the permit plan;
- (5) Clarifying the purpose of the permit plan in promoting efficiency in permitting and ensuring adequate public participation;
- (6) Establishing a goal for the approval or denial of permits within twelve months of acceptance of the permit plan by the Coordinator, and requiring permitting agencies to prepare explanatory reports when permits are not approved or denied within the twelve-month period;
- (7) Requiring permits that have not been approved or denied within eighteen months of the acceptance of the permit plan by the Coordinator to be automatically approved;
- (8) Prohibiting the Energy Resources Coordinator from accepting a permit plan application for a renewable energy facility prior to the acceptance of an environmental impact statement for the facility;
- (9) Designating the Department of Business, Economic Development, and Tourism as the accepting authority for any final environmental impact statement that is prepared by an applicant for any renewable energy facility;
- (10) Deleting the provision relating to judicial review of disputes regarding approved permits;
- (11) Establishing a renewable energy facility siting special fund into which shall be deposited permit plan application fees collected by the Energy Resources Coordinator, along with appropriations by the Legislature and moneys allotted from other sources;
- (12) Requiring the energy facility siting special fund to be used for the administration and operation of the renewable energy facility siting process;
- (13) Deleting the requirement for unencumbered permit plan application fees to be deposited into the energy security special fund;
- (14) Authorizing the Public Utilities Commission to establish guidelines and timetables for the creation and implementation of power purchase agreements for the purposes of assisting the renewable energy facility siting process;

- (15) Deleting the repeal of chapter 196D, Hawaii Revised Statutes;
- (16) Deleting the unspecified appropriation out of the energy security special fund and making an appropriation of \$100,000 out of the renewable energy facility siting special fund;
- (17) Changing the effective date from July 1, 2020, to July 1, 2008; and
- (18) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2863, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2863, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Ito, Herkes, M. Oshiro and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Menor, Hee, Inouye, Kokubun, Baker and Trimble.
Managers on the part of the Senate.
(Senators Hee and Trimble were excused.)

Conf. Com. Rep. 147-08 on H.B. No. 2505

The purpose of this bill is to appropriate an unspecified sum to establish a full-time, permanent renewable energy facilitator position in the Department of Business, Economic Development, and Tourism and provide additional funding for energy initiatives to carry out Hawaii's long-term energy strategy through the Environmental Response and Energy Security Tax and Energy Security Special Fund to secure a sustainable energy future in Hawaii. Among other things, this bill:

- (1) Changes the name of the Environmental Response Tax to the Environmental Response and Energy Security Tax;
- (2) Establishes the Energy Security Special Fund into which shall be deposited a certain amount of the Environmental Response and Energy Security Tax and fees generated by the renewable energy facility siting process, among other sources;
- (3) Restricts the use of the Energy Security Special Fund to:
 - (A) Supporting DBEDT's energy program;
 - (B) Funding the Renewable Energy Facilitator; and
 - (C) Supporting the renewable energy facility siting process;
- (4) Caps the contribution of the Environmental Response and Energy Security Tax to the Environmental Response Revolving Fund at \$20,000,000;
- (5) Increases the Environmental Response and Energy Security Tax on a barrel of oil to 15 cents from five cents and distributes the tax revenues to various funds; and
- (6) Appropriates an unspecified sum from the Environmental Response Revolving Fund for the renewable energy facilitator position and an unspecified sum from the Energy Security Special Fund for the purposes of this bill.

Your Committee on Conference has amended this bill by:

- (1) Maintaining the name of the Environmental Response Tax instead of renaming it the Environmental Response and Energy Security Tax;
- (2) Deleting as a source of funding for the Energy Security Special Fund, the Environmental Response Tax and renewable energy facility siting process fees;
- (3) Revising the restricted use of the Energy Security Special Fund to:
 - (A) Support DBEDT's energy programs and necessary program positions; and
 - (B) Provide funds for the Renewable Energy Facilitator;
- (4) Deleting the cap on the contribution of the Environmental Response Tax to the Environmental Response Revolving Fund;
- (5) Deleting the ten-cent increase of the Environmental Response Tax on a barrel of oil;
- (6) Specifically authorizing legislative appropriations from the Environmental Response Revolving Fund to the Energy Security Special Fund; and

- (7) Transferring \$112,000 from the Environmental Response Revolving Fund to the Energy Security Special Fund for one fulltime, temporary renewable energy facilitator position.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2505, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2505, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, M. Oshiro, Carroll and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 148-08 on H.B. No. 2507

The purpose of this bill is to support state policy to reduce greenhouse gas emissions by January 1, 2020, to levels at or below the estimates of greenhouse gas emissions for 1990, by appropriating funds from the Energy Security Special Fund to establish two positions to provide professional and technical support for the work of the Greenhouse Gas Emissions Reduction Task Force established by Act 234, Session Laws of Hawaii 2007, and assist with the implementation of other provisions of that Act.

Your Committee on Conference has amended this bill by:

- (1) Changing the funding source to the general fund;
- (2) Inserting an appropriation amount of \$140,000; and
- (3) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2507, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2507, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, M. Oshiro, Carroll and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 149-08 on H.B. No. 2872

The purpose of this bill is to ensure the timely maintenance and repair of recreational cabins of historic and cultural importance at the Koke'e and Waimea Canyon State Parks by amending the procedure for leasing state park or forest reserve lands for recreation-residence use. Specifically, this bill allows the Board of Land and Natural Resources (BLNR) to offer by public auction 20-year maximum leases, and allow the most recent occupant to match the winning bid. This bill also allows BLNR to limit this public auction to full-time Hawaii residents, and impose restrictions on the transferability of the leases.

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

- (1) Replacing the statutory authorization to BLNR to offer leases by public auction with a one-time process for the offering of 20-year minimum term recreation-residence use leases on public lands at state parks or state forest reserves in counties with a population of less than 100,000 to existing leaseholders by direct negotiation within three months of the effective date of this Act;
- (2) Requiring that the one-time lease offerings be based on market rates for land and buildings pursuant to section 171-17(b), Hawaii Revised Statutes, relating to appraisals, and allowing existing lessees to provide counter-offers based on their own certified appraisals; and
- (3) Establishing a Koke'e State Park Advisory Council to:
 - (A) Assist with the updating, revision, and implementation of the Koke'e State Park Master Plan;
 - (B) Assist in the management of the Koke'e recreational cabin leases;
 - (C) Enhance community education and cultural awareness of Koke'e State park; and
 - (D) Participate in the protection and preservation of Koke'e State Parks' natural and cultural resources.

It is the intent of your Committee on Conference for the provisions in this bill to apply not only to lessees under current leases, but also those lessees who are currently occupying the land even though their leases have expired and may currently be holdover tenants.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2872, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2872, S.D. 2, C.D. 1.

Representatives Ito, Karamatsu, Sagum and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 150-08 on H.B. No. 2704

The purpose of this bill is to preserve and protect Haiku Valley, a site of cultural and natural significance, by establishing the Haiku Valley Cultural Preserve Commission (Commission) to oversee the Haiku Valley Cultural Preserve.

Your Committee on Conference has amended this bill by replacing its contents with the language in the H.D. 2. Specifically, this bill has been amended by:

- (1) Deleting the requirement that the Department of Land and Natural Resources and other departments with interest in lands within the Haiku Valley Cultural Preserve deed those lands to the Office of Hawaiian Affairs (OHA) and that the Governor set aside those lands; and
- (2) Changing the effective date to upon its approval.

This bill has been further amended by:

- (1) Changing the principal department to which the Commission is administratively attached, from OHA to the Department of Land and Natural Resources;
- (2) Removing the appropriation; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2704, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2704, H.D. 2, S.D. 1, C.D. 1.

Representatives Ito, Waters, Karamatsu and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

Senators Hee, Tokuda, Taniguchi, Baker and Whalen.
Managers on the part of the Senate.
(Senators Baker and Whalen were excused.)

Conf. Com. Rep. 151-08 on S.B. No. 2803

The purpose of this measure is to implement the recommendations of the December 2007 report of the Hawaii Identity Theft Task Force to protect the security of personal information collected and maintained by state and county government agencies.

Your Committee on Conference has amended this measure by:

- (1) Placing the Information Privacy and Security Council within the Department of Accounting and General Services;
- (2) Specifying the agencies represented on the Council;
- (3) Authorizing the Comptroller to establish support positions;
- (4) Requiring that the annual report of the Council be confidential and not disclosed publicly in any form;
- (5) Deleting the appropriation to support the work of the Council;
- (6) Expanding the third party personal information use contractual provisions;
- (7) Adding a part on the protection of personal information by government agencies;
- (8) Adding a part on a plan to reduce collection and use of social security numbers by government agencies;

- (9) Changing the starting date for government agencies to develop written guidelines detailing recommended practices to minimize unauthorized access to personal information from January 1, 2009, to January 1, 2010;
- (10) Establishing by July 1, 2008, within the Office of the Auditor, the five-member Identity Theft Task Force Working Group;
- (11) Changing the effective date from July 1, 2025, to July 1, 2008; and
- (12) Making technical amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2803, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2803, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, B. Oshiro, Karamatsu and Marumoto.
Managers on the part of the House.
(Representative Marumoto was excused.)

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

Conf. Com. Rep. 152-08 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 cohesive, comprehensive, and sustainable early learning system of voluntary educational programs and services to be known as Keiki First Steps (System), to ensure a spectrum of high-quality early learning opportunities for children throughout the state, from birth until the time they enter kindergarten, with priority given to underserved or at-risk children;
- (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 Grant Program (Program) component of the System, which shall increase early learning opportunities that meet high standards of quality through the awarding of grants to certain publicly- or privately-run programs and services;
- (4) Statutorily establishing the existing Pre-Plus Program, which expands access to affordable and quality early childhood education for three- to four-year-old children from low-income families by allowing preschool programs to be established on public school campuses through public-private partnerships; and
- (5) Requiring the Department of Human Services (DHS) and Department of Education (DOE) to develop suitable classrooms on DOE campuses to increase the supply of suitable classrooms for early learning programs and services statewide.

Your Committee on Conference 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 (DOH) 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 on Conference has amended this bill by, among other things:

- (1) Including in the purpose, language regarding:
 - (A) The two-tier junior kindergarten and kindergarten program as one of the milestones achieved thus far in promoting young children's development and school readiness through public and private efforts; and

- (B) The work of the Early Learning Educational Task Force;
- (2) Including in the definition of "center-based", programs in which early childhood education and care services are provided in a facility excluded or exempt from licensing by DHS;
 - (3) Clarifying that the Council is to establish policies and procedures to include existing early learning programs and services;
 - (4) Requiring the Council, in developing the System, to consult with community groups, including statewide organizations that are involved in early learning professional development, policy and advocacy, and early childhood programs, to broaden the council's knowledge of early learning;
 - (4) [sic] Replacing references to the Association of Mayors with the Hawaii Council of Mayors;
 - (5) Replacing references to the Head Start Collaboration Office with the Hawaii Head Start State Collaboration Office;
 - (6) Specifying that except for the superintendent of education, directors of state departments, president of the University of Hawaii, director of the Hawaii Head Start State Collaboration Office, chief executive officer of the Kamehameha Schools, and executive director of the Hawaii Association of Independent Schools, or their designees, and the two representatives of the Hawaii Council of Mayors, Council members are to be nominated and, by and with the advice and consent of the Senate, appointed by the Governor;
 - (7) Requiring the Hawaii Council of Mayors to determine which of its two representatives are to serve the two-year term and three-year term on the Council;
 - (8) Clarifying that a majority of the members serving on the Council constitute a quorum to do business, and the concurrence of the majority of the members serving on the Council is necessary to validate any of the Council's actions;
 - (9) Requiring the Council to set the salary of the Council's executive director, provided that it not exceed the salary of the deputy director of DHS;
 - (10) Deleting the appropriation to support the early learning system and operations of the Council, including the establishment of positions;
 - (11) Deleting the appropriation for the Program;
 - (12) Repealing 302A-409, Hawaii Revised Statutes, requiring DOE to develop a plan for quality voluntary early education, as this will no longer be necessary with the establishment of the System and Council;
 - (13) Removing references to programs and services in the System from the provision that statutorily establishes the Pre-Plus Program;
 - (14) Requiring DOE to also submit to the Council the report relating to available classrooms for early learning facilities;
 - (15) Changing the effective date to July 1, 2008; and
 - (16) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2878, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2878, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Shimabukuro, M. Oshiro, Berg, Rhoads and Finnegan.
Managers on the part of the House.

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

Conf. Com. Rep. 153-08 on S.B. No. 988

The purpose of this measure is to authorize the Public Utilities Commission (PUC) to establish a ratepayer-funded photovoltaic rebate program upon evaluating the costs and benefits of a rebate program and determining that a rebate program is in the public interest.

Your Committee has amended this measure by:

- (1) Authorizing the PUC to delegate the administration of the photovoltaic rebate program to the public benefits fund administrator established pursuant to section 269-122, Hawaii Revised Statutes; and
- (2) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 988, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 988, S.D. 2, H.D. 3, C.D. 1.

Representatives Morita, Herkes, Carroll, Sagum and Thielen.
Managers on the part of the House.
(Representatives Herkes and Sagum were excused.)

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

Conf. Com. Rep. 154-08 on S.B. No. 2150

The purpose of this measure 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.

Your Committee has amended this measure by:

- (1) Amending the amendments made to Hawaii Revised Statutes section 846-2.7 (b)(22) to add "retired and senior volunteer program" to the list of Department of Human Services (Department) programs for which criminal history record checks may be conducted; and section 846-2.7 (b)(23), Hawaii Revised Statutes, to allow the Department to conduct criminal history record checks on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under any other applicable section of the Social Security Act in addition to Section 1915(c);
- (2) Removing the appropriation section;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2150, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2150, S.D. 2, H.D. 2, C.D. 1.

Representatives Shimabukuro, B. Oshiro, Rhoads and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 155-08 on S.B. No. 2830

The purpose of this measure is to effectuate recommendations of the Joint Legislative Committee on Family Caregiving.

Specifically, this measure:

- (1) Extends the sunset date of the Joint Legislative Committee on Family Caregiving;
- (2) Changes the name of the committee to the Joint Legislative Committee on Aging in Place (Committee);
- (3) Expands the Committee mandate to include aging in place issues related to family caregiving;
- (4) Requires the Aging and Disability Resource Center to report to the Committee;
- (5) Requires the Committee to conduct a cash and counseling project;
- (6) Appropriates funds to the Committee;
- (7) Allows the Kupuna Care Program to include overnight, weekend, and emergency respite services and provide grants to caregivers for home modification;
- (8) Appropriates funds for a respite care study;
- (9) Appropriates funds to the Kupuna Care Program; and
- (10) Establish a task force to focus on the needs and issues of grandparents raising grandchildren.

Your Committee on Conference has amended this measure by:

- (1) Adopting the language of S.B. No. 2830, Senate Draft 2;
- (2) Adopting the language of Part VI of S.B. No. 2830, Senate Draft 2, House Draft 2, relating to care home payments;
- (3) Designating that the representative of the Queen Lili'uokalani Children's Center shall be co-chair of the Grandparents Raising Grandchildren Task Force, rather than the representative from the University of Hawaii Center on Aging Research and Education;
- (4) Inserting an appropriation amount of \$500,000 for the Kupuna Care program;
- (5) Inserting the amount of \$651.90 to the section increasing the state supplemental payment for adult residential care homes classified as facility type I, licensed developmental disabilities domiciliary homes as defined under section 321-15.9, Hawaii Revised Statutes, community care foster family homes as defined under section 346-331, Hawaii Revised Statutes, and certified adult foster homes as defined under section 321-11.2, Hawaii Revised Statutes;
- (6) Inserting the amount of \$759.90 to the section increasing the state supplemental payment for adult residential care homes classified as facility type II;
- (7) Inserting an appropriation amount of \$289,000 for increases in level of care payments for ARCH types I and II;
- (8) Repealing the Hawaii Revised Statutes section 346-53(c)(3) that capped the state supplemental payment for skilled nursing facilities and intermediate facilities at \$20;
- (9) Changing its effective date to July 1, 2008; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2830, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2830, S.D. 2, H.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Magaoay, Lee and Finnegan.
Managers on the part of the House.
(Representatives Magaoay and Finnegan were excused.)

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

Conf. Com. Rep. 156-08 on S.B. No. 3255

The purpose of this measure is to establish a Long Term Care Commission (Commission) to determine what resources are necessary to meet state long term care public policy goals, and recommend a program and funding mechanism to provide long term care services. The measure also appropriates funds for the Commission.

Your Committee on Conference has amended this measure by:

- (1) Amending its purpose section to include additional findings, and its purpose clause to include the establishment of long term care policy goals and guiding principles, in addition to the establishment of the Commission;
- (2) Reorganizing and modifying existing language to set forth long term care policy goals of the State of Hawaii;
- (3) Stating that the development of a long term care system in Hawaii should be guided by certain principles, and reorganizing and modifying existing language to set the principles forth;
- (4) Adding five non-voting, ex-officio members of the Commission who are the directors of the following departments or their designees: the Department of Commerce and Consumer Affairs, the Department of Health, the Department of Human Services, the Department of Labor and Industrial Relations, and the Department of Taxation;
- (5) Amending membership criteria;
- (6) Adding that Commission members should be appointed as soon as practicable, but by no later than September 30, 2008;
- (7) Adding language to set forth how vacancies shall be filled, what constitutes a quorum, and that members shall serve without compensation other than for necessary expenses incurred in the performance of Commission duties;
- (8) Adding language stating that the University of Hawaii College of Social Sciences Public Policy Center shall convene the first Commission meeting as soon as practicable but by no later than November 1, 2008;

- (9) Providing that any contract executed with a third party to conduct a study shall be approved by the Commission in an open meeting;
- (10) Modifying the content of the interim and final Commission reports;
- (11) Adding an expiry date for the Commission of November 30, 2010;
- (12) Adding an appropriation amount of \$100,000 to section 5;
- (13) Changing its effective date to July 1, 2008; and
- (14) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3255, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3255, S.D. 2, H.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Chang, Lee, Cabanilla and Ward.
Managers on the part of the House.
(Representative Shimabukuro was excused.)

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

Conf. Com. Rep. 157-08 on S.B. No. 69

The purpose of this bill is to make 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.

Your Committee on Conference finds that the intent of this bill is to utilize the funds that have already been appropriated for the Hawaii children's health care program and the provisions of this bill can only be implemented to the extent of availability of those funds. Your Committee on Conference further intends for this bill to be a temporary measure to assist children, of workers in Hawaii who have recently and abruptly been displaced from their jobs, in retaining health care coverage.

Your Committee on Conference upon further consideration has made the following amendments to S.B. No. 69, S.D. 2, H.D. 3:

- (1) Amended language relating to a child's qualification to provide that the child's parent or guardian was employed by a Hawaii employer that was subject to and in compliance with chapter 393, Hawaii Revised Statutes, and that filed for bankruptcy and ceased doing business in Hawaii or simply ceased doing business in Hawaii, between February 29, 2008 and September 30, 2008; either
- (2) Amended the effective date of the bill to ensure that the underlying provisions of Act 236, Session Laws of Hawaii 2007, are re-enacted upon the repeal of this bill; and
- (3) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 69, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 69, S.D. 2, H.D. 3, C.D. 1.

Representatives Shimabukuro, Green, M. Oshiro and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 158-08 on S.B. No. 2314

The purpose of this bill is to authorize any accident or health or sickness insurer with less than five per cent market share to be exempt from the anti-tying statutes. This bill also 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.

Your Committee on Conference upon further consideration has made the following amendments to S.B. No. 2314, S.D. 1, H.D. 2:

- (1) Refined the language to authorize any insurer subject to chapter 432, Hawaii Revised Statutes, with less than five per cent of the health insurance market share offering contracts for dental, vision, drug, and life insurance as a condition, agreement, or understanding to a health insurance policy under chapter 432 to be exempt from the anti-tying statutes; and
- (2) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2314, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2314, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, B. Oshiro, Green, Tokioka and Marumoto.
Managers on the part of the House.
(Representative Tokioka was excused.)

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

Conf. Com. Rep. 159-08 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 Committee finds that federally qualified health centers and rural health clinics are essential components of Hawaii's health care system. Two of the most important sources of operating revenues for these community health centers are the Med-QUEST program and subsidies for care for the uninsured. These revenue sources continue to provide inadequate funding and reimbursements that are more than a year overdue, causing the much needed community health centers to be financially unstable and putting the public's health at risk.

Your Committee upon further consideration has made the following amendments to S.B. No. 2542, S.D. 2, H.D. 2:

- (1) Inserted \$1,000,000 as the amount appropriated for direct medical care to the uninsured;
- (2) Inserted a July 1, 2008 effective date; and
- (3) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2542, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2542, S.D. 2, H.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Mizuno, Rhoads and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 160-08 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.

Your Committee on Conference upon further consideration has made the following amendments to S.B. No. 2459, S.D. 2, H.D. 1:

- (1) Inserted language that prohibits the operation of a remote pharmacy within a five mile radius of any pharmacy defined under section 461-1, Hawaii Revised Statutes, except for:
 - (A) Any remote dispensing pharmacy established prior to the effective date of this Act that has previously dispensed and will continue to dispense only prescription medications acquired pursuant to section 340B of the Public Health Service Act, title 42 United States Code section 256b; and
 - (B) When an appropriately designated pharmacy, as defined in section 461-1, Hawaii Revised Statutes, is established within a five mile radius of an existing remote dispensing pharmacy exempted by this subsection, all appropriate measures shall be taken to encourage the relocation of the existing remote dispensing machine within the newly established pharmacy;

- (2) Authorizes remote dispensing pharmacies to provide medications to patients covered by QUEST regardless of the pharmacy location or amount of supply;
- (3) Prohibits any health insurance provider group, hospital, or medical service plan regulated under article 431-10A or 432-1, Hawaii Revised Statutes, to operate a remote dispensing pharmacy;
- (4) Exempts mobile medical clinics, provided that no such clinic shall operate in counties with a population less than 100,000;
- (5) Exempts federally qualified health centers, provided that no remote dispensing pharmacy shall operate within a five mile radius of any pharmacy as defined under section 461-1, Hawaii Revised Statutes, except for those federally qualified health centers that are exempt under section 461- (c)(2), Hawaii Revised Statutes;
- (6) Defines "mobile medical clinic" to mean a motor vehicle retrofitted for exclusive use as a medical office or clinic for medical services licensed under chapter 321, Hawaii Revised Statutes;
- (7) Amended the definitions of "remote dispensing machine" and "remote dispensing pharmacy" to clarify that the drugs to be dispensed are those that are acquired pursuant to section 340B of the Public Health Service Act, title 42 United States Code section 256b;
- (8) Changed the effective date to "upon its approval"; and
- (9) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2459, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2459, S.D. 2, H.D. 1, C.D. 1.

Representatives Green, Herkes, Sagum, Tokioka and Ward.
Managers on the part of the House.
(Representative Tokioka was excused.)

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

Conf. Com. Rep. 161-08 on S.B. No. 3069

The purpose of this bill is to expedite the records disclosure process for clinical evaluation purposes while protecting a patient's right of privacy 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 records.

Your Committee on Conference upon further consideration has made the following amendments to S.B. No. 3069, S.D. 2, H.D. 1:

- (1) Deleted the provisions that allow the defendant to object to the release of records;
- (2) Inserted language that requires the county police departments to provide copies of all police reports to the Director of Health and the defendant that has been committed to the custody of the Director;
- (3) Changed the effective date to "upon its approval"; and
- (4) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3069, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3069, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 162-08 on S.B. No. 3171

The purpose of this measure is to enact new statutory provisions regulating charitable organizations, including registration, financial reporting, fundraising, and investigations by the Department of Attorney General for violations of the provisions, and fundraising.

Your Committee on Conference finds that a registration system is needed for charities. Due to the absence in current law of a registration system, the Attorney General may only pursue an investigation if an individual complains or questionable conduct is revealed and disclosed in public.

A registration system will provide the State with valuable information on which nonprofit groups are raising funds, what programs these groups seek to fund, and how these groups are spending collected funds. Registration can help enforcement officials spot red flags, such as questionable transactions or compensation deals, and answer questions from the public. The review of annual filings may also serve as a deterrent to abuse. Under this measure, before making a contribution, donors could find out if an organization is a legitimate charity and determine if the group has provided the State with information on its finances.

Your Committee on Conference has amended this measure by reverting to the House Draft 1, with the following changes as recommended by the Attorney General:

- (1) Making mandatory the use of the Unified Registration Statement as the registration form;
- (2) Making mandatory the use of the Form 990 and 990EZ as the annual financial report, provided that the Attorney General may prescribe the form of the report for Form 990N filers;
- (3) Requiring the submission of an audited financial statement by organizations required to prepare such statements by governmental authorities or third parties;
- (4) Inserting an appropriation of \$238,725 from the Solicitation of Funds for Charitable Purposes Special Fund to the Attorney General; and
- (5) Changing the effective date to January 1, 2009, provided that sections 5 through 9 of the measure become effective on July 1, 2008.

Your Committee on Conference notes that the audit requirement threshold of \$500,000 is the same as House Draft 1 and House Draft 2.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3171, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3171, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, B. Oshiro, M. Oshiro, McKelvey and Marumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 163-08 on S.B. No. 2546

This purpose of this bill is to:

- (1) Ensure the participation of various state agencies and lend further guidance in the development and implementation of comprehensive reentry plans and curricula to facilitate the reentry of persons released from correctional facilities into the community;
- (2) Ensure the provision of appropriate Department of Public Safety support to the Department of Human Services in coordinating and promoting research that evaluates the impact to a child of a parent's incarceration;
- (3) Require the implementation of a quarterly rotation system to address the inadequacy of correctional facility space for Hawaii prisoners returning from out-of-state facilities; and
- (4) Clarify that the meaning of the term "shall," as used in this bill, is mandatory and is not to be interpreted as being a directive or as having a discretionary meaning.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement for the Department of Public Safety to lend technical assistance to the Department of Human Services to coordinate and promote research on the impact of a parent's incarceration on their children;
- (2) Adding the requirement for the Department of Public Safety to promote research in collaboration with various state agencies, interested individuals, and other organizations on the impact of a parent's incarceration on the well-being of the offender's children and to examine the long-term effects on the relationship between the incarcerated parent and their children;
- (3) Changing the effective date to upon approval; and

- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2546, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2546, S.D. 2, H.D. 1, C.D. 1.

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

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

Conf. Com. Rep. 164-08 on S.B. No. 2843

The purpose of this measure is to encourage the recycling of electronic devices sold within the State by establishing an electronic device recycling program.

Your Committee has amended this measure to:

- (1) Exempt all telephones regardless of screen size;
- (2) Specify that "manufacturer" shall not include persons located in the State who manufacture specialized computers and have sales of no more than one hundred computers per year;
- (3) Clarify that "sell" or "sale" means any transfer for consideration of title, including transactions conducted through sales outlets, catalogs, or the Internet, but excluding leases;
- (4) Stipulate March 31, 2011 as the deadline for each manufacturer to initially submit to the DOH the total weight of all covered electronic devices recycled in the previous year;
- (5) Require the DOH, by July 1, 2011, and annually thereafter, to publish a ranking of all manufacturers selling covered electronic devices in the State;
- (6) Require the DOH to maintain a toll-free number with current information on where to return covered electronic devices for recycling;
- (7) Authorize the Attorney General to enforce this measure and take necessary action against any manufacturer or retailer for failure to comply;
- (8) Authorize the DOH to impose by order administrative penalties and to set, charge, and collect administrative fines and to recover administrative fees and costs;
- (9) Establish within the DOH a temporary working group to develop a plan to establish, conduct, and manage a program for the collection, transportation, and recycling of televisions sold in the State, to be implemented no later than January 1, 2010;
- (10) Redefine "covered electronic devices";
- (11) Omit the appropriation of funds for the establishment of the electronic device recycling program;
- (12) Change the effective date to July 1, 2008; and
- (13) Make technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2843, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2843, S.D. 2, H.D. 3, C.D. 1.

Representatives Morita, Yamashita, M. Oshiro, Carroll, Wakai and Ward.
Managers on the part of the House.
(Representatives M. Oshiro and Ward were excused.)

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

Conf. Com. Rep. 165-08 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.

Your Committee on Conference has amended this measure by:

- (1) Providing that funds in the pest, quarantine, and eradication fund may be expended by DOA for biosecurity;
- (2) Making an appropriation to the pest, quarantine, and eradication fund in the amount of \$250,000 for the design and construction of the interim joint inspection facility and permanent joint inspection facility of DOA's biosecurity program;
- (3) Making an appropriation from the pest inspection, quarantine, and eradication fund of the State of Hawaii in the amount of \$6,000,000 to the Department of Agriculture for the purposes of this measure; and
- (4) Amending the effective date of this measure to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2850, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2850, S.D. 2, H.D. 2, C.D. 1.

Representatives Tsuji, Morita, Hanohano, Brower and Thielen.
Managers on the part of the House.

Senators Tokuda, Menor, Baker, Gabbard and Slom.
Managers on the part of the Senate.
(Senator Slom was excused.)

Conf. Com. Rep. 166-08 on S.B. No. 156

The purpose of this measure is to allow a registered voter to request an absentee ballot and at the same time to request to receive absentee ballots permanently.

A voter's permanent absentee voter status shall be terminated if any of the following conditions apply:

- (1) The voter requests in writing that such status be terminated;
- (2) The voter dies, loses voting rights, registers to vote in another jurisdiction, or is otherwise disqualified from voting;
- (3) The voter's absentee ballot, voter notification postcard, or any other election mail is returned to the clerk as undeliverable for any reason; or
- (4) The voter does not return a voter ballot by 6:00 p.m. election day in both the primary and general election of an election year.

If a voter's permanent absentee voter status has been terminated due to one or more of the foregoing conditions, the voter shall be responsible for again requesting permanent absentee status.

The intent of your Committee on Conference is to facilitate the utilization of absentee ballots, thereby increasing voter participation in the electoral process.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$35,000 out of the general fund to provide the five per cent state matching fund requirement needed to qualify for \$575,000 in federal funds to be used by the office of elections to fulfill the requirements of the federal Help America Vote Act of 2002;
- (2) Adding an appropriation of \$575,000 from federal funds, received pursuant to the federal Help America Vote Act of 2002, for the purpose of implementing and administering the permanent absentee voter program; and
- (3) Changing the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 156, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 156, S.D. 2, H.D. 2, C.D. 1.

Representatives Waters, Lee, Hanohano and Thielen.
Managers on the part of the House.

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

(Senators Gabbard and Whalen were excused.)

Conf. Com. Rep. 167-08 on S.B. No. 3174

The purpose of this bill is to assist in addressing the problems of and provide further opportunities in affordable housing in the State.

Specifically, this bill provides assistance by:

- (1) Extending by five years the sunset date of the increase in the conveyance tax allocation to the Rental Housing Trust Fund to ensure continued funding and emphasis on providing rental housing to those in need;
- (2) Appropriating funds to assist developers in contracting for third-party review and certification to expedite the processing and issuance of building permits for affordable housing projects;
- (3) Establishing a self-help housing fund under the Hawaii Housing Finance and Development Corporation to provide funding for self-help housing projects; and
- (4) Increasing the Hawaii Housing Finance and Development Corporation revenue bond authorization from \$400,000,000 to an unspecified amount.

Your Committee on Conference finds that the affordable housing crisis continues to be one of the State's most significant and challenging social problems and is a critical issue for many Hawaii residents. Providing additional funds will aid in addressing the lack of affordable housing in the State.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that extends by five years the sunset date of the increase in the conveyance tax allocation to the Rental Housing Trust Fund;
- (2) Deleting language that appropriates funds out of the general fund to assist developers in contracting for third-party review and certification to expedite the processing and issuance of building permits for affordable housing projects;
- (3) Deleting language that establishes a self-help housing fund under the Hawaii Housing Finance and Development Corporation to provide funding for self-help housing projects;
- (4) Deleting language that appropriates funds into and expends funds out of the Self-Help Housing Technical Assistance Fund to provide additional funding for technical assistance costs generated from self-help housing projects;
- (5) Inserting the amount of \$500,000,000 as the Hula Mae multifamily revenue bond authorization;
- (6) Changing the effective date from July 1, 2020, to July 1, 2008; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3174, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3174, S.D. 2, H.D. 2, C.D. 1.

Representatives Shimabukuro, Ito, M. Oshiro, Karamatsu, Rhoads and Ward.
Managers on the part of the House.

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

Conf. Com. Rep. 168-08 on S.B. No. 3252

The purpose of this bill is to address the teacher shortage problem in the State through various initiatives.

Specifically, this bill:

- (1) Appropriates funds for public school teachers and teacher candidates to take PRAXIS preparatory courses, tutorials, or programs to become highly qualified under the No Child Left Behind Act;
- (2) Provides teachers with at least ten years of prior teaching experience with ten years of service credit when determining the classification of a teacher hired to teach in a hard-to-fill school or subject area;
- (3) Provides local private school or out-of-state national board certified teachers with full credit for the teacher's total number of years of teaching experience;
- (4) Appropriates funds to establish Professional Development Schools for Hawaii public school teachers;

- (5) Appropriates funds to complex areas for academic coaches, professional development, and the retention of teachers;
- (6) Establishes the Teacher Housing Allowance program to provide housing assistance to teachers employed in schools in geographically isolated areas or hard-to-fill positions within the State and appropriates funds for the program;
- (7) Appropriates funds for the Hawaii Teacher Cadet Program to address the teacher shortage; and
- (8) Appropriates funds for a Hawaii Beginning Teacher Induction Pilot Program within the department of education.

Your Committee on Conference finds that the shortage of qualified teachers in our public schools continues to remain an issue of critical importance, which is not easily remedied. Instead, a comprehensive approach to developing, maintaining, and expanding a qualified teacher workforce is necessary to truly address and resolve the problem. This bill contains various programs and initiatives to reduce the teacher shortage, each of which addresses a different facet of the issue. However, adequate funding for all of these initiatives is not currently available. Therefore, funding priorities dictate that only specific initiatives may be funded at this time.

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

- (1) Inserting an appropriation amount of \$100,000 for public school teachers and teacher candidates to take PRAXIS preparatory courses, tutorials, or programs to become highly qualified under the No Child Left Behind Act;
- (2) Inserting an appropriation amount of \$200,000 to establish Professional Development Schools for Hawaii public school teachers;
- (3) Deleting the provision that provided teachers with at least ten years of prior teaching experience with ten years of service credit when determining the classification of a teacher hired to teach in a hard-to-fill school or subject area;
- (4) Deleting the provision that provided local private school or out-of-state national board certified teachers with full credit for the teacher's total number of years of teaching experience;
- (5) Deleting the appropriation to complex areas for academic coaches, professional development, and the retention of teachers;
- (6) Deleting the provisions that established the Teacher Housing Allowance program to provide housing assistance to teachers employed in schools in geographically isolated areas or hard-to-fill positions within the State and the appropriation for the program;
- (7) Deleting the appropriation for the Hawaii Teacher Cadet Program to address the teacher shortage; and
- (8) Deleting the appropriation for a Hawaii Beginning Teacher Induction Pilot Program within the Department of Education.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3252, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3252, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Sonson, Lee, Berg and Finnegan.
Managers on the part of the House.

Senators Sakamoto, Baker, Tokuda, Nishihara and Trimble.
Managers on the part of the Senate.
(Senator Trimble was excused.)

Conf. Com. Rep. 169-08 on S.B. No. 644

The purpose of this bill is to lessen Hawaii's dependence on fossil fuels by:

- (1) 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 benefits fund administrator that is in effect at the time permits are issued for the home;
- (2) Requiring the Public Benefits Fund Administrator to support compliance verification of solar thermal water heaters installed in new single-family residences after January 1, 2010; and
- (3) Including in the Public Benefits Fund Administrator 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.

Your Committee finds that crude oil prices have risen to over \$100 per barrel and, with no relief under the State's direct control in sight, the viability of the State's economy is in jeopardy. Part of the response to this situation is to require the installation of solar water heater

systems in all new single-family dwellings. Doing so will accelerate the installation of this type of energy saving device, benefit owners and renters of newly constructed homes, and mitigate the impact that reliance on fossil fuels has on our environment and economy. This mandate shifts energy policy away from government investment via tax credits to private sector investment in renewable energy that will result in greater benefit to the public at large.

Accordingly, your Committee has amended this measure by:

- (1) Changing the provision with respect to solar water heaters in new single-family residences to prohibit the issuance of a building permit for a single-family dwelling after January 1, 2010, that does not include a solar water heating system that meets standards to be established by the Public Utilities Commission;
- (2) Permitting the energy resources coordinator to approve a variance from the solar water heater system mandate if installation is impracticable or cost prohibitive, if a substitute renewable energy technology system is to be used, or if a gas-tankless demand water heater device is installed;
- (3) Deleting the provision requiring the Public Benefits Fund Administration to support compliance verification and deleting the new provisions relating to the Administrator's duties and responsibilities;
- (4) Requiring the Public Utilities Commission to establish standards for solar water heater systems by July 1, 2009, or as soon as reasonably practicable;
- (5) Adding a provision restricting the income tax credit for solar thermal energy systems for single-family residential property to systems for which a building permit was issued prior to January 1, 2010;
- (6) Prohibiting residential home developers from claiming the renewable energy technologies income tax credit for single-family solar thermal, wind energy, and photovoltaic energy systems installed and placed in service in 2009;
- (7) Changing the effective date from July 1, 2020, to upon approval and clarifying that section 4 shall apply to taxable years beginning after December 31, 2008; and
- (8) Making technical nonsubstantive changes for purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 644, S.D. 3, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 644, S.D. 3, H.D. 3, C.D. 1.

Representatives Shimabukuro, Morita, Yamashita, M. Oshiro and Thielen.
Managers on the part of the House.

Senators Menor, Fukunaga, Baker, Hooser and Trimble.
Managers on the part of the Senate.
(Senators Fukunaga and Trimble were excused.)

Conf. Com. Rep. 170-08 on S.B. No. 871

The purpose of this measure is to establish a three-year pilot project in one or more school districts, chosen by the Department of Education and in partnership with the Department of Health, for recycling food waste as part of the State's integrated solid waste management plans under chapter 342G, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Requiring the development and implementation of the three-year food waste recycling pilot project to be conducted in one or more schools, rather than school districts;
- (2) Requiring the Department of Education and the Department of Health to consider using public-private partnerships in developing and implementing the pilot project and encouraging them to seek and use public-private sector funding support;
- (3) Authorizing the acceptance and expenditure of private monetary donations to develop and operate the pilot project;
- (4) Changing the revenue source general funds and adding an appropriation amount of \$25,000; and
- (5) Changing the effective date to July 1, 2008, and providing that the measure be repealed on June 30, 2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 871, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 871, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Carroll, Lee and Thielen.
Managers on the part of the House.

Senators Menor, Ige, Tsutsui, Hooser, Trimble and Kim.
Managers on the part of the Senate.

(Senator Trimble was excused.)

Conf. Com. Rep. 171-08 on S.B. No. 2082

The purpose of this bill is to create a strategic plan to provide adequate services to female prisoners who are residents of Hawaii and are returning to Hawaii after being incarcerated on the mainland.

Your Committee on Conference amended this bill by:

- (1) Inserting the amount of \$100,000 to be appropriated out of the General Fund for the Department of Public Safety to develop a strategic plan to ensure successful reentry into the community of as many female prisoners as possible who are returning from incarceration on the mainland and who are residents of the State of Hawaii; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2082, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2082, S.D. 2, H.D. 1, C.D. 1.

Representatives Evans, Har and Finnegan.
Managers on the part of the House.

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

Conf. Com. Rep. 172-08 on S.B. No. 1804

The purpose of this bill is to establish additional funding mechanisms to enhance the availability of revenues in the Trauma System Special Fund to ensure the availability of care for trauma patients in the State.

Your Committee in Conference finds that a January 2006 report by the legislative reference bureau, entitled "On-Call Crisis in Trauma Care: Government Responses", noted that the rationale for public support of uncompensated trauma services is the same as for critical police and fire services: a trauma system is a necessary public service that ought to be publicly supported.

In light of these findings, Acts 305 and 316, Session Laws of Hawaii 2006, were enacted to ensure and encourage the availability of trauma care in the State by creating a trauma system special fund and dedicating a portion of the revenues generated from cigarette and tobacco tax to the special fund.

The legislature acknowledges that there is a desperate need to expand the resources available for trauma care in Hawaii. It is also evident that additional resources are needed immediately to ensure the health, welfare, and safety of the citizens of our State.

Your Committee on Conference upon further consideration has made the following amendments to S.B. No. 1804, S.D. 2, H.D. 2:

- (1) Deleted the purpose section language;
- (2) Inserting language that provides for surcharges, to be deposited into the trauma system special fund, for violations of the following offenses:
 - (a) Child passenger restraints;
 - (b) Mandatory use of seat belts;
 - (c) Inattention to driving;
 - (d) Accidents involving death or serious bodily injury;
 - (e) Accidents involving substantial bodily injury;
 - (f) Accidents involving bodily injury;
 - (g) Accidents involving damage to a vehicle or property;
 - (h) Duty to give information and render aid;
 - (i) Duty upon striking unattended vehicle or other property;
 - (j) Immediate notice of accident;
 - (k) Racing on highways;
 - (l) Speeding in a school zone or construction area;
 - (m) Excessive speeding;
 - (n) Operating a vehicle under the influence of an intoxicant; and
 - (o) Habitually operating a vehicle under the influence of an intoxicant;
- (3) Deleting the requirement that, to remain eligible for reimbursements, all level I or level II trauma centers shall have at least annual on-site verification visits by the department and an on-site verification visit by the American College of Surgeons at least every three years;
- (4) Deleting the appropriation provisions; and

- (5) Made technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1804, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1804, S.D. 2, H.D. 2, C.D. 1.

Representatives Waters, Souki, M. Oshiro, Mizuno and Pine.
Managers on the part of the House.

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

Conf. Com. Rep. 173-08 on S.B. No. 2083

The purpose of this bill is to permit the Judiciary to assess a fee to a parolee or probationer that applies for a transfer out of Hawaii and to increase the membership of the State Council for Interstate Adult Offender Supervision. This bill also appropriates funds for one full-time coordinator position to carry out the duties of the Interstate Compact for the supervision of adult offenders.

Your Committee on Conference has amended this bill by:

- (1) Adding the requirement that the one full-time coordinator position for the supervision of adult offenders be appointed by the Judiciary;
- (2) Deleting the appropriation from the General Fund for one full-time coordinator position to help carry out the duties of the Interstate Compact for the supervision of adult offenders;
- (3) Changing the effective date to July 1, 2008; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2083, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2083, S.D. 2, H.D. 1, C.D. 1.

Representatives Evans, Waters, Har and Finnegan.
Managers on the part of the House.

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

Conf. Com. Rep. 174-08 on S.B. No. 2423

The purpose of this measure is to direct the Department of Land and Natural Resources or any appropriate entity of the State to acquire lands situated in central Oahu owned by the Galbraith Estate by negotiation or condemnation.

This purpose of this measure has been amended and now authorizes the Governor of the State of Hawaii to negotiate on behalf of the State with private interested parties to purchase the resort property located in Kahuku, Oahu owned by Oaktree Capital Management, LLC, through its subsidiary Kuilima Resort Company and their successor in interest. The subject property under negotiation includes the lands known as the Turtle Bay Hotel and Resort.

The measure has been supported by the Governor of the State of Hawaii, Office of Planning, Sierra Club - Hawaii Chapter, Koolauloa-North Shore Alliance, Save Our Surf, Windward Ahupuaa Alliance, Trust for Public Land and numerous concerned individuals. Therefore, the Legislature finds this measure necessary to protect pristine lands, needed jobs and endangered species.

It is the intent of the Legislature that the Governor is authorized to:

- (1) Negotiate with Kuilima Resort Company, Oaktree Capital Management, LLC, and others holding interest in the property;
- (2) Enter 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) Exercise the power of eminent domain on all or part of the property if an agreement to acquire the property is not reached within a reasonable time.

Your Committee on Conference has amended this bill by:

- (1) Removing Section 7 to allow the Governor to set the base at an appropriate level; and
- (2) Amending the effective date to take effect upon approval; provided that section 6 shall take effect on July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2423, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2423, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Yamane, M. Oshiro, Karamatsu, Magaoay and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 175-08 on S.B. No. 2915

The purpose of this measure 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 funds for that purpose.

Your Committee on Conference has amended this measure by:

- (1) Including a representative of Onipaa Na Hui Kalo in the Task Force;
- (2) Requiring the Task Force to prioritize its objectives in order to ensure that it is able to sufficiently address and render conclusions;
- (3) Requiring the Task Force to issue a preliminary report to the Legislature prior to the convening of the 2009 Regular Session and its final report prior to the convening of the 2010 Regular Session;
- (4) Making an appropriation of \$325,000 from the general fund and requiring matching funds from the Office of Hawaiian Affairs; and
- (5) Amending the effective date to July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2915, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2915, S.D. 2, H.D. 1, C.D. 1.

Representatives Tsuji, M. Oshiro, Hanohano and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 176-08 on S.B. No. 2198

The purpose of this measure 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) Fifty 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) Fifty 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.

Your Committee on Conference has amended this measure by:

- (1) Adding an amendment to section 205-45(a), Hawaii Revised Statutes, to allow the holder of an interest in agricultural land that qualifies for the land conservation incentives tax credit to petition the Land Use Commission to designate agricultural lands as important agricultural lands;
- (2) Decreasing the maximum individual donation tax credit amount from \$2,500,000 to \$1,000,000;
- (3) Decreasing the maximum land conservation tax credit from \$3,000,000 to \$1,000,000 in the aggregate for all qualified taxpayers for all years; and
- (3) Making the measure effective on July 1, 2008; provided that the measure shall be repealed on December 31, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2198, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2198, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Tsuji, Karamatsu, Brower and Meyer.
Managers on the part of the House.
(Representative Meyer was excused.)

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

Conf. Com. Rep. 177-08 on S.B. No. 2646

The purpose of this measure is to provide a comprehensive set of incentives to establish and sustain viable agricultural operations on lands designated as important agricultural lands (IALs) and to trigger the designation of IALs as established in section 205-46, Hawaii Revised Statutes. 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 up to an annual aggregate cap of \$2,500,000;
- (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.

Your Committee on Conference has amended this measure by:

- (1) Reducing the allowable amount of land used for farm dwellings or employee housing to five per cent of the total designated IALs or fifty acres, whichever is less;
- (2) Eliminating income exclusions on certain agricultural leases and income exemptions from the general excise tax;
- (3) Amending the "important agricultural land qualified agricultural cost tax credit" to be refundable up to fifty percent over three years with an annual aggregate cap of \$7,500,000;
- (4) Making an appropriation of \$50,000 to the Department of Agriculture to administer the important agricultural and qualified agricultural cost tax credit;
- (5) Clarifies that under "qualified agricultural costs" in a new section in chapter 235, Hawaii Revised Statutes, agricultural housing will be exclusively for agricultural purposes and occupied solely by farmers and employees for agricultural business and their immediate family members;
- (6) Deleting the section of the bill that would have repealed the tax credit established by section 235-110.46, Hawaii Revised Statutes, the Ko Olina Tax Credit, but providing that the Agricultural Investment Tax Credit becomes effective after the tax credit established by section 235-110.46, Hawaii Revised Statutes, is expired or exhausted;
- (7) Providing that a landowner of agricultural lands may petition the State Land Use Commission to designate lands as IALs, and may seek reclassification of a portion of the agricultural lands to the rural, urban, or conservation district provided that at least eighty-five percent of the total acreage is sought to be designated as IALs;
- (8) Providing that once agricultural lands are reclassified to rural, urban, or conservation district as a result of designating IALs, that to reclassify any of those IALs the landowner must obtain legislative approval by way of a concurrent resolution approved by two-thirds of both the Senate and House of Representatives; and

(10) [*sic*] Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2646, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2646, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Tsuji, Karamatsu, Brower, Hanohano and Meyer.
Managers on the part of the House.
(Representatives Hanohano and Meyer were excused.)

Senators Tokuda, Hee, Fukunaga, Baker, Kokubun and Slom.
Managers on the part of the Senate.
(Senators Fukunaga and Slom were excused. Senator Kokubun voted no.)

Conf. Com. Rep. 178-08 on H.B. No. 1412

The purpose of this bill is to enhance the ability of the Department of Taxation to upgrade its computer system and streamline related operation procedures.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$2,900,000 from the general fund of the State to the Integrated Tax Information Management Systems Special Fund; and
- (2) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1412, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1412, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Karamatsu, Magaoay and Ward.
Managers on the part of the House.

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